FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Asia

FBIS-EAS-95-199
Monday
16 October 1995

Daily Report
East Asia

FBIS-EAS-95-199 CONTENTS *16 October 1995*

NOTICE: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

- Accord With U.S. on Forces Status Not Reached *[KYODO]* 1
- Alleged U.S. Wiretapping of Negotiators Reported *[SANKEI SHIMBUN 16 Oct]* 1
  - U.S. Official Comments *[ASAHI SHIMBUN 16 Oct]* 2
  - NHK Cites Report on CIA 'Spying' *[Tokyo TV]* 2
  - Tokyo Questions U.S. About Issue *[KYODO]* 3
  - Officials' Reactions Reported *[SANKEI SHIMBUN 16 Oct]* 3
  - Murayama Denies Adverse Effects *[KYODO]* 4
  - MITI Official Says Story 'Funny' *[ASAHI SHIMBUN 16 Oct]* 4
  - Sonoda Expresses 'Grave Concern' *[KYODO]* 5
  - MITI Talks With Foreign Ministry *[KYODO]* 5
  - Nikkeiren Head: Case 'Disgusting' *[KYODO]* 6
- Ota Reiterates Refusal To Sign Lease Documents *[RYUKYU SHIMPO 14 Oct]* 6
- Okinawa Small Landowners Urge Bases Withdrawal *[KYODO]* 6
- Murayama in 'Difficult Position' Over Okinawa *[NIHON KEIZAI SHIMBUN 14 Oct]* 7
- SDPJ's Kubo on U.S. Base Issues in Okinawa *[OKINAWA TIMES 16 Oct]* 8
- Government Troubled by 'Okinawa's Anger' *[ASAHI SHIMBUN 15 Oct]* 9
- Defense Chief Eto Plans To Visit Okinawa Bases *[KYODO]* 10
- Hawaiian Governor Sends Letter on U.S. Bases *[RYUKYU SHIMPO 15 Oct]* 11
  - Bases Move to Hawaii 'Difficult' *[KYODO]* 12
  - Ota Plans To Discuss Proposal *[KYODO]* 12
- Murayama: Need To Discuss Security With U.S. *[KYODO]* 12
  - Says U.S. Bases Dispute 'Urgent' *[KYODO]* 13
- Ministry To Cut License Period of U.S. Flights *[YOMIURI SHIMBUN 15 Oct]* 13
- Murayama Faces Tight UN Meeting Schedule *[KYODO]* 14
- Minister Criticizes APEC Liberalization Plan *[KYODO]* 14
- Political 'Strife' in LDP Leader Appointments *[SHUKAN DAIYAMONDO 7 Oct]* 14
- EPA Chief Discusses Economic Prospects *[EKONOMISUTO 19 Sep]* 18
- 'Special Report' on Housing Firms' Bad Loans *[SHUKAN DAIYAMONDO 16 Sep]* 20

North Korea

- Former U.S. Secretary's Remarks Viewed *[KCNA]* 26
- Commentary Decries U.S.-ROK Military Exercise *[KCNA]* 27
- Radio Decries U.S., South for Staging Exercise *[Pyongyang Radio]* 27
- Correction to Joint Exercise Should Be Stopped *[KCNA]* 29
- Pomchonghangnyon Denounces Students' Detainment *[KCNA]* 29
- South 'Hypocrisy' on Separated Families Viewed *[KCNA]* 29
- South Group's 'Intensified Suppression' Viewed *[KCNA]* 30
- South Koreans Demand 'Chief Culprits' Punishment *[KCNA]* 30
- 'Military Provocations' Against North Decried *[KCNA]* 31
- Daily Denounces Japan on 'Comfort Women' Issue *[KCNA]* 31
- Japanese Premier's Remarks Denounced in South *[KCNA]* 31
- Chongnyon Meetings Vow To Uphold Decisions *[KCNA]* 32

Yang Hyong-sop Eulogizes Dead Chongnyon Official *[KCNA]* 32
Foreign Ministry Delegation Departs for PRC *[KCNA]* 33
Party Leader Presents Gift for Kim Chong-il *[KCNA]* 33
Kim Chong-il Attends Opening of Highway *[Pyongyang Radio]* 33
Kim Chong-il Sends Messages to Foreign Leaders *[KCNA]* 34
Daily Praises Kim Il-song's Reunification Efforts *[KCNA]* 35
Glorifying WPK as Kim Il-song Party Stressed *[Pyongyang Radio]* 36
'New International Economic Order' Urged *[KCNA]* 39
Daily Stresses Role of Fighters of Leader *[Pyongyang Radio]* 40
International Chuche Group Head Writes Article *[KCNA]* 45
Confederal System Noted as 'Reasonable' Method *[Pyongyang Radio]* 46
Kaesong Bean Paste Factory Commissioned *[KCNA]* 47

South Korea

North To Target U.S. Forces First if War Erupts *[THE KOREA HERALD 14 Oct]* 48
  Further on North Plans *[Seoul Radio]* 48
  North Economy 'in Shambles' *[THE KOREA TIMES 14 Oct]* 49
Seoul To Allow Inspections of Nuclear Facilities *[CHOSON ILBO 15 Oct]* 50
U.S. Said To Hasten Opening of Liaison Office *[CHOSON ILBO 15 Oct]* 50
North May Accept ROK-Style Nuclear Reactors *[MUNHWA ILBO 16 Oct]* 51
Preident Rules Out Steps for Reconciliation *[YONHAP]* 51
Dailies See Instability in North *[TONG-A ILBO, etc.]* 52
President: Inter-Korean Ties Dependent on North *[YONHAP]* 52
Exit-Entry Control Office in Panmunjom Planned *[YONHAP]* 53
South Koreans Taken as Hostages in Moscow *[Seoul Radio]* 53
  Hostages Rescued in Raid *[Seoul Radio]* 54
  Russia Apologizes for Incident *[YONHAP]* 54
  Foreign Ministry Thanks Russia *[YONHAP]* 54
Kim Yong-sam on Japanese Need for Repentance *[YONHAP]* 54
Official To Visit PRC To Discuss Abduction *[TONG-A ILBO 16 Oct]* 55
Activists 'Intruded' Upon DLP Headquarters *[YONHAP]* 55
Minister Stresses 'Food Security' at Meeting *[YONHAP]* 55

SOUTHEAST ASIA

Burma

Sein Win Speaks at Trade Unions Conference *[BurmaNet News]* 57
General Maung Aye Leaves for UN Session *[Rangoon Radio]* 59
Defection Sparks Fighting Between Ethnic Groups *[BANGKOK POST 13 Oct]* 59

Brunei, Malaysia & Singapore

Malaysia

Kuala Lumpur To Reduce Troops in Bosnia *[BERITA HARIAN 14 Oct]* 59
Army Gets Priority in Modernization Program *[THE STAR 16 Oct]* 60

Cambodia

Ranariddh Promises Reforms for Free Market *[THE CAMBODIA TIMES 1-7 Oct]* 60
Ranariddh Reports on Singapore's Investments *[THE CAMBODIA TIMES 1-7 Oct]* 61
Minister Rejects Report on Agents in Capital *[REAKSMEI KAMPUCHEA 13 Oct]* 62

Indonesia

Further Unrest Reported in East Timor 62

Relative Calm After Arrests *[Melbourne International]* 62
'Tension' Remains as Troops Patrol *[Lisbon Radio]* 62
Security Forces Make More Arrests *[Melbourne International]* 63
Resistance Reports 200 Injuries *[Lisbon Radio]* 63
Minister: Rioting 'Engineered' *[Jakarta Radio]* 63
Suharto Leaves To Attend NAM Summit *[ANTARA]* 63
Police Seize Pirated Computer Software *[ANTARA]* 64

Philippines

Iran Assures No Arms, Assistance for Extremists *[MANILA STANDARD 11 Oct]* 64
Government, Rebels Sign Peace Agreement *[Quezon City Radio]* 65
Communists Drop Demand for Release of Bello *[Quezon City Radio-TV]* 65
MNLF Denies Harboring Abu Sayyaf Members *[MALAYA 9 Oct]* 65

Thailand

U.S. To Consider Amendment to Amity Treaty *[THAILAND TIMES 14 Oct]* 66
Police Report U.S. Warning on Russian Gangs *[THE NATION 16 Oct]* 67
Foreign Minister Eases Ban on Australian Media *[THE SUNDAY NATION 15 Oct]* 68
Editorial Critical of Ban on Australian Journalists *[THE NATION 13 Oct]* 68
Editorial Views Banhan's Party Problems *[THE SUNDAY POST 15 Oct]* 69
Separatist Leader in South Surrenders to Governor *[BANGKOK POST 14 Oct]* 70

Vietnam

President Le Duc Anh Welcomed in Havana *[VNA]* 70
Holds Talks with Castro *[VNA]* 70
Receives Honorary Distinction *[VNA]* 71
Joint PRC Working Group Meets on Border Issues *[VNA]* 71
Commentary on Do Muoi's Talks With U.S. Group *[Hanoi International]* 71
National Assembly 13 Oct Proceedings Reported *[Hanoi Radio]* 72
Deputy PM Speaks on Administrative Reform *[Hanoi Radio]* 72
Flash Floods Submerge Mekong Delta Provinces *[VNA]* 73
Phan Van Khai Visits Flooded Provinces *[Hanoi Radio]* 74
Committee To Oversee ASEAN Interests *[Hanoi Radio]* 74
'Record' Number of Investment Licenses Granted *[VNA]* 74
Official on Investment for Infrastructure *[VNA]* 74
Customs Service Seizes 'Reactionary' Magazines *[Hanoi Radio]* 75
Smuggling Reaches 'Serious' Level Nationwide *[Hanoi Radio]* 75

Japan

Accord With U.S. on Forces Status Not Reached

OW1310114195 Tokyo KYODO in English 1042 GMT 13 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO — Japan and the United States failed Friday [13 October] to agree on specific measures to improve criminal jurisdiction procedures under a bilateral agreement giving special status to U.S. military personnel stationed in Japan, according to a Foreign Ministry official.

The two sides will hold another round of expert-level talks, possibly next week, to further discuss the matter, the official said.

In the third round Friday, the U.S. side offered an interim report on its examination of possible improvements in the implementation of the criminal jurisdiction procedures under the status of forces agreement, the official said.

In particular, the U.S. team offered a detailed explanation of its studies on ways to enhance U.S. cooperation in Japanese investigations of U.S. military personnel suspected of committing crimes in Japan, one of the three areas Japan asked to be improved, he said.

Tokyo had asked the U.S. in the previous meeting last week to enable the early handing over to Japanese authorities of U.S. military personnel accused of crimes in Japan, even before formal indictment, and to improve the "U.S. handling of suspects detained by the U.S. military authorities."

In the past, some U.S. military personnel detained by U.S. military authorities in Japan have fled to the mainland U.S.

The U.S. side was to offer its response to the Japanese requests at Friday's meeting to be held at the Foreign Ministry.

The official who briefed reporters said the U.S. is basically responding "positively" to the Japanese requests, but that it seems that further consultations within the U.S., such as among the State and Defense Departments and the Hawaii-based Pacific Fleet, are necessary before it can offer its final response to the Japanese requests.

"We didn't reach a specific agreement today, but we had frank discussions and I think our understandings have deepened," the official said.

In Washington, a U.S. Administration official hinted Thursday that the U.S. is poised to agree to Japan's proposal allowing the early turning over of U.S. military personnel.

"On many of the key points, there (is) not much difference in the views. It's just a matter of small words," the official said.

But the official, who requested anonymity, said the two governments still have to discuss not only which items to formulate into a package, but also how to implement the package, indicating that further talks are necessary on the method of exchanging an official document to enforce any agreement.

The expert-level panel was set up last month in a bid to help quell a growing outcry for a revision of the status agreement following the rape of an elementary schoolgirl in Okinawa in early September for which three U.S. servicemen have been indicted.

The accord allows U.S. military authorities to hold suspects until Japanese prosecutors indict them.

The Japanese and U.S. Governments have already agreed not to seek a revision of the agreement itself but to study whether improvements can be made within the current framework.

Representing Japan at the meeting were officials from the Foreign Ministry, Justice Ministry, National Police Agency, Maritime Safety Agency and Defense Facilities Administration Agency. The U.S. side included officials from the embassy in Tokyo and the U.S. military forces in Japan.

Toshiyuki Takano, counselor of the Foreign Ministry's North American Affairs Bureau, headed the Japanese team.

The U.S. delegation was led by Col. George Newman, deputy chief of staff of the U.S. military forces in Japan.

Alleged U.S. Wiretapping of Negotiators Reported

OW1610071795 Tokyo SANKEI SHIMBUN in Japanese 16 Oct 95 Morning Edition p 1

[By Kazuo Miyata]

[FBIS Translated Text] New York, 15 Oct — The 15 October issue of THE NEW YORK TIMES revealed that, during the Japan-U.S. automobile negotiations held in Geneva last June, the U.S. Central Intelligence Agency (CIA) wiretapped internal conversations between Japanese representatives, including Ryutaro Hashimoto, minister of international trade and industry, and reported the contents of the conversations to U.S. Trade Representative [USTR] Mickey Kantor. It was reported that the CIA was wiretapping conversations between Japanese automotive industry executives, including Toyota Motor Corporation and Nissan Motor

Co., and senior Ministry of International Trade and Industry [MITI] officials, including Minister Hashimoto. At the same time, the CIA was reportedly conducting information-collecting operations using electronic equipment in Tokyo.

According to the U.S. paper, the CIA assigned a special team to accompany U.S. trade representatives to the Japan-U.S. automobile negotiations. Using electronic equipment, the CIA was reportedly wiretapping conversations between Japanese representatives mainly at the Intercontinental Hotel, where the negotiations were held.

The details of how the CIA was wiretapping conversations of Japanese negotiators are not known. The contents of wiretapped conversations were reported to USTR Kantor. Based on such information, the U.S. side was assessing how far it could exert pressure on the Japanese side.

Through the wiretapping, the CIA was reportedly collecting information on the contents of discussion between the Japanese automotive industry and MITI, and analyzing the information. Thanks to CIA reports, the U.S. side was able to inform the Japanese automotive industry that MITI was conveying U.S. claims misguidedly.

The CIA was also urged to collect information on what was discussed within MITI, or between MITI and other ministries and agencies. Diplomatic officials, who were formerly with MITI, hardly used Foreign Ministry-controlled anti-wiretap equipment because the MITI minister and the foreign minister [Yohei Kono] were rivals. This was a great help to the CIA in conducting such operations.

It was reported that electronic collection of information was conducted not only in Geneva but also at the CIA bureau in Tokyo, and that the U.S. National Security Agency (NSA) also engaged in such operations as analyzing information.

THE NEW YORK TIMES pointed out that the CIA is facing difficulties in conducting its new assignment of spying in the economic field. The paper quoted a senior U.S. administration official as saying: "It was a remarkable performance, because the intelligence agencies finally realized that these assignments were like the arms control talks of the new era."

U.S. Official Comments

OW1610041095 Tokyo ASAHI SHIMBUN in Japanese 16 Oct 95 Morning Edition p 1

[Article by Tomokazu Ichimura]

[FBIS Translated Text] New York, 15 Oct — According to the 15 October edition of THE NEW YORK TIMES, U.S. intelligence agencies, including the Central Intelligence Agency [CIA], eavesdropped on telephone conversations between Japanese bureaucrats and automaker executives. The CIA's information was reportedly submitted to U.S. Trade Representative [USTR] Mickey Kantor on a regular basis during the Japan-U.S. auto negotiations last June. The report does not mention details of the CIA operation, but this may become a diplomatic problem between the two nations.

THE NEW YORK TIMES noted that during the bilateral auto negotiations, a few intelligence officers accompanied the team of U.S. trade negotiators. Information wiretapped by the CIA's Tokyo station and the National Security Agency (NSA) was screened by CIA analysts in Washington, and distributed to Kantor and his aides every morning.

The CIA and NSA reportedly obtained recordings of conversations among officials of the Ministry of International Trade and Industry [MITI] and executives from Toyota Motor Corp. and Nissan Motor Co., who were pressing for an early settlement of the auto negotiations. The paper said Kantor was well informed of various pressures on MITI Minister Ryutaro Hashimoto.

When the negotiations came to a climax in Geneva in June, the intelligence team stayed with the U.S. negotiation team at the Intercontinental Hotel, and offered assessments to Kantor on how far the Japanese side could be pressed.

Commenting on the intelligence teams's performance, a senior U.S. Government official told to the TIMES: "Their job was outstanding. However, we could not predict which direction Hashimoto would go."

NHK Cites Report on CIA 'Spying'

OW1510141395 Tokyo NHK General Television Network in Japanese 1011 GMT 15 Oct 95

[Announcer-read report; from "NHK News" program]

[FBIS Translated Text] Regarding the the Japan-U.S. auto talks which concluded last June, it has been learned that in trying to analyze how Japan planned to approach the auto negotiations, the U.S. Central Intelligence Agency [CIA] conducted secret operations to gather the contents of conversations among Japanese Government officials and senior automobile industry officials, according to the 15 October edition of THE NEW YORK TIMES. The paper reported that the CIA's Tokyo office, in trying to probe into how Japan planned to approach the auto negotiations, which were expected to face rough sailing, gained access to the contents of conversations among Japanese Government officials and senior Toyota and Nissan Motor officials in Tokyo and relayed the information from Tokyo to U.S. Trade Representative Mickey Kantor. In this regard, a certain senior U.S. Government official has said that the CIA has done an excellent job.

The administration of U.S. President Bill Clinton, asserting that maintaining international competitive power in the industrial sector concerns national security, has placed the gathering of information on international economic affairs as the CIA's priority task in the post-Cold War era. It may be said that the CIA's spying operations in Tokyo, which have now come to light, are part of such activities.

Regarding THE NEW YORK TIMES report, Toyota Motors has stated: At this point, we cannot make any comment because we cannot confirm any facts.

Tokyo Questions U.S. About Issue

OW1610042195 Tokyo KYODO in English
0410 GMT 16 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 16 KYODO — Tokyo is asking the United States about reported U.S. Intelligence agents' spying on conversations between Japan's trade minister and its auto executives during sensitive automotive trade negotiations, a top government spokesman said Monday [16 October].

"The Japanese Government should ask the U.S. Government whether this is true," Chief Cabinet Secretary Koken Nosaka told a news conference.

He said he has already ordered the Foreign Ministry to question the U.S. through diplomatic channels about a NEW YORK TIMES report that the Central Intelligence Agency (CIA) conducted economic spying.

But Nosaka said he understands the CIA has no agents in Tokyo, saying, "We believe the CIA has no agents conducting activities in Japan."

Earlier, while saying he has yet to confirm the report, Prime Minister Tomiichi Murayama told reporters such spy activities, even if true, would have had no adverse effects on the course of the Japan-U.S. auto and auto parts trade negotiations concluded in June.

Nosaka also told his news conference there was no bad effects on the last-minute trade agreement, which averted the U.S. plan to slap about 5.9 billion dollars of sanctions on 13 Japanese luxury cars.

"Our insistence on scrapping numerical targets was sufficiently reflected in the auto and auto parts trade accord," he said.

Hashimoto, however, expressed his displeasure with the reported espionage and spoke of the need for inquiries through diplomatic channels.

The NEW YORK TIMES reported Saturday that the CIA played a role as an economic spy in the Japan-U.S. auto trade negotiations.

During tense trade talks last spring, a small team of intelligence officers gave U.S. Trade Representative Mickey Kantor inside information each morning gathered by the CIA's Tokyo office and the electronic eavesdropping device of the National Security Agency, the paper said.

The team accompanied U.S. trade officials everywhere. Kantor received descriptions of conversations among Japanese bureaucrats and executives from Toyota Motor Corp. and Nissan Motor Co. who were pressing for a settlement and read about the competing pressures on Hashimoto, it said.

"We want it be made clear whether the report is true so we can maintain our relations of mutual trust," Nosaka said in reference to Japan-U.S. ties.

Officials' Reactions Reported

OW1610035395 Tokyo SANKEI SHIMBUN
in Japanese 16 Oct 95 Morning Edition p 1

[FBIS Translated Text] The Ministry of Foreign Affairs [MOFA] is skeptical about U.S. newspaper reports that the Central Intelligence Agency (CIA) bugged conversations between Ryutaro Hashimoto, international trade and industry minister, and executives of Japanese carmakers. It says: "We have not had any reports on that."

On the evening of 15 October, Hashimoto also said: "I did not talk with the executives of the carmakers at the negotiations site. I have no way to comment on this because I do not know about the reports (on the bugging)."

However, a senior Ministry of International Trade and Industry [MITI] official suspects that "there might have been bugging because many times, the telephones in the rooms of Deputy Vice Minister Yoshihiro Sakamoto and others were not working normally, and the tone would suddenly go down during a conservation." He says that this was not the first time; "the same thing happened during the Japan-U.S. semiconductor negotiations. We do not talk about really important things over the phone."

According to a MOFA source, who used to work in the United States, "I think the CIA engages in (bugging and other espionage) activities regardless of whether the target is an enemy or an ally. Therefore, it is standard operating procedure for us to convey important information in codes." He indicated that it would not be surprising if there indeed was bugging.

However, the MITI official pointed out that during the automobile talks, "Japan was absolutely negative about compromising on numerical targets. (Even if there was bugging) it would be useless." His analysis is: "The CIA has nothing to do now after the end of the Cold War. I think they did that to save their jobs."

Shinichi Nishimiya, chief of MOFA's Second North America Division, who was involved in the auto negotiations, says: "I think the negotiations went well. In that sense, I am doubtful that there was any CIA bugging."

A source at the Prime Minister's Office limited himself to saying: "If the reports are true, we will verify the facts through diplomatic channels." What really happened will probably "remain a secret."

Murayama Denies Adverse Effects

OW1610023395 Tokyo KYODO in English
0217 GMT 16 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 16 KYODO — Prime Minister Tomiichi Murayama denied Monday [16 October] any adverse effects on Japan-U.S. auto trade talks from reported espionage by U.S. Intelligence agents.

Asked by reporters about the espionage story carried by a U.S. newspaper, Murayama said he has yet to confirm the report.

Even if the report is true, however, Murayama said such spy activities had no influence on the course of the auto trade talks.

In late June, Japan and the United States struck a last-minute deal on auto and auto parts trade, averting Washington's planned trade sanctions of imposing 100 percent tariffs on Japanese luxury car imports.

The NEW YORK TIMES reported Saturday that the Central Intelligence Agency (CIA) played a role as an economic spy in the Japan-U.S. Auto talks.

During tense auto trade negotiations last spring, a small team of intelligence officers gave U.S. trade representative Mickey Kantor and his aides inside information each morning gathered by the CIA's Tokyo office and the electronic eavesdropping equipment of the national security agency, selected by CIA analysts in Washington, the paper said.

The team accompanied U.S. trade officials everywhere and Kantor received descriptions of conversations among Japanese bureaucrats and executives from Toyota Motor Corp. and Nissan Motor Co. who were pressing for a settlement, and read about the competing pressures on Japanese International Trade and Industry Minister Ryutaro Hashimoto, it said.

Chief Cabinet Secretary Koken Nosaka saw no problem with the reported U.S. espionage in the auto trade talks.

"Japan's insistence was included in the auto trade accord, and there was nothing disadvantageous to the Ministry of International Trade and Industry (MITI) or the Japanese auto industry," the chief government spokesman told reporters.

Hashimoto, however, expressed his displeasure Monday with the reported espionage.

MITI will consult with the Foreign Ministry about Japan's response to the issue, including possible inquiries through diplomatic channels, Hashimoto said.

MITI Official Says Story 'Funny'

OW1610043395 Tokyo ASAHI SHIMBUN
in Japanese 16 Oct 95 Morning Edition p 1

[FBIS Translated Text] Commenting on THE NEW YORK TIMES report on the Central Intelligence Agency's [CIA] wiretapping operations during the Japan-U.S. auto negotiations, the Ministry of International Trade and Industry [MITI] and executives of Japanese automakers said: "We do not know if that is true." They noted, even if the report is true, they saw no influence on the negotiations.

A high-ranking official of the MITI Trade Policy Bureau coolly said: "U.S. negotiators had the wrong assumptions on our position until the very final phase of the auto negotiations. It is a funny story if they really used wiretappers." Vice President Masaharu Tanaka of Toyota Motor Corporation also said: "I do not think our staff had secret conversations with Mr. Hashimoto or other MITI officials. I really have no idea if the report is true."

Sonoda Expresses 'Grave Concern'

OW1610052595 Tokyo KYODO in English
0509 GMT 16 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 16 KYODO — Japan expressed "grave concern" Monday [16 October] about reported U.S. Espionage on conversations between its trade minister and auto executives during sensitive automotive trade negotiations last spring.

"If this is true, I think it will be a matter of grave concern that will badly affect our diplomatic negotiations in the future," Deputy Chief Cabinet Secretary Hiroyuki Sonoda told a news conference.

Touching on a new bilateral accord on greater host-nation support for U.S. troops stationed in Japan, the government spokesman spoke of the importance of mutual trust in conducting bilateral negotiations on any topic.

Sonoda also quoted Foreign Minister Yohei Kono as telling a meeting of government and ruling party leaders that Tokyo should lodge a protest against Washington if the reported spying proves true.

Japan is asking the United States about the truth of the reported spying by Central Intelligence Agency officers on conversations between International Trade and Industry Minister Ryutaro Hashimoto and the nation's auto executives.

Chief Cabinet Secretary Koken Nosaka told a news conference earlier in the day that he has ordered the Foreign Ministry to question the U.S. through diplomatic channels about a NEW YORK TIMES report that the Central Intelligence Agency (CIA) conducted economic spying.

MITI Talks With Foreign Ministry

OW1610074795 Tokyo KYODO in English
0717 GMT 16 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 16 KYODO — Vice Trade Minister Tomio Tsutsumi said Monday [16 October] his ministry is consulting with the Foreign Ministry on its response to reported espionage by U.S. intelligence agencies during last summer's Japan-U.S. auto trade talks.

"The Ministry of International Trade and Industry is now discussing the reported U.S. economic espionage with the Foreign Ministry," Tsutsumi said at a press conference.

"The Foreign Ministry will take the appropriate step since it is a diplomatic issue," he said.

The MITI vice minister said that if the report by a U.S. newspaper is true, he does not think such spy activities "had any particular influence on the auto trade talks."

Tsutsumi said the ministry will continue to pay close attention to economic spying, but declined further comments on specific measures to be taken by MITI.

His remarks came after THE NEW YORK TIMES reported Saturday that the Central Intelligence Agency (CIA) conducted economic spying during the Japan-U.S. auto talks.

In late June, Japan and the United States struck a last-minute deal on auto and auto parts trade, averting Washington's threatened sanctions of imposing 100 percent tariffs on Japanese luxury car imports, equivalent to 5.9 billion dollars.

The TIMES said U.S. Trade Representative Mickey Kantor was given descriptions of conversations among Japanese bureaucrats and executives of automobile manufacturing firms, gathered by the CIA's Tokyo station and electronic-eavesdropping equipment of the National Security Agency.

On the stalled talks on agriculture under the Asia-Pacific Economic Cooperation (APEC) forum, Tsutsumi said the government will continue efforts to solve the issue before the November APEC summit in Osaka.

Tsutsumi said "difficult issues had remained unsettled" at the final preparatory meeting for the Nov. 19 summit, which took place in Tokyo last week.

The meeting failed to resolve feuding over whether or not to apply APEC's "comprehensive" trade principle to all industrial sectors, including the sensitive farm area.

Japan, South Korea, China and Taiwan called for flexibility in the use of the principle so that agriculture can be immune from it, but 14 other APEC members, particularly the U.S. and Australia, were against the idea.

Tsutsumi said, "There is a growing mood toward finding a settlement." But he did not elaborate.

Japan, as host of this year's annual APEC meeting, is wrapping up conflicting views on action guidelines to be adopted at the APEC Osaka summit.

The guidelines are intended to flesh out the basic plan endorsed by the APEC leaders at their meeting in Bogor, Indonesia, last November.

The plan calls for APEC members to achieve free and open trade and investment in the region by 2020, with developed economies required to attain that goal by 2010.

Nikkeiren Head: Case 'Disgusting'

OW1610092795 Tokyo KYODO in English 0843 GMT 16 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 16 KYODO — An influential business leader expressed displeasure Monday (16 October) over reported spying on conversations between Japanese Government officials and industry executives by U.S. Central Intelligence Agency agents.

"It is extremely disgusting if the report is true," said Jiro Nemoto, president of the Japan Federation of Employers Associations (Nikkeiren), at a news conference.

Nemoto made the remark in response to questions about a NEW YORK TIMES report that CIA agents bugged government-industry conversations over sensitive Japan-U.S. automobile trade negotiations in summer.

Nemoto said the government should file a protest with Washington if the report is authenticated.

Ota Reiterates Refusal To Sign Lease Documents

OW1410100995 Naha RYUKYU SHIMPO in Japanese 14 Oct 95 Morning Edition p 1

[FBIS Translated Text] Okinawa Governor Ota has refused to sign documents on forcing landowners to continue leasing land for military use. In connection with this issue, Governor Ota pointed out on 13 October: "Major cabinet members have stressed the significance of the Japan-U.S. Security Treaty. But why is it that they would not say 'we (meaning local governments of the cabinet members' home towns) would take over' the duties (connected with military bases) and bitter experiences (in disasters caused by military bases)? Why won't a cabinet member from Kanagawa say that Kanagawa will take over?" Without mentioning names, Governor Ota criticized the position taken by cabinet members in charge of foreign affairs and defense issues, including Foreign Minister Yohei Kono who is a Diet member elected from the Kanagawa prefecture. The Foreign Ministry and Defense Agency are in charge of military base issues, including the Status of Forces Agreement. The governor has criticized cabinet members for the first time in connection with his refusal to sign concerned documents. Governor Ota made these remarks in his meeting with Dietmember Saneyoshi Furugen, member of the Okinawa chapter of the Japan Community Party [JCP], and others who visited the prefectural government to express their support and encouragement for the governor's "refusal to sign concerned documents."

Governor Ota stated: "If the Security Pact, under the pretext of the national policy, is that important, why is it that burdens have been imposed on Okinawa alone? The point at issue lies in the distribution of military bases." In this way, he disclosed that in refusing to sign documents, he intends to protest to the government against "too heavy burdens" imposed on Okinawa in the distribution of U.S. military bases.

Then, Ota criticized the position taken by the cabinet members, and said: "What is most important is what responsible persons of the state will do when they come to consult with me about the situation in Okinawa. They should not take it as other people's affair but as their own. The issue cannot be settled by forcibly imposing military bases on a locality, in an out-of-sight place which is in a weak position." And Governor Ota appealed for "the people to understand the pain, anger and distress that Okinawa is asked to endure in shouldering burdens involving military bases even in the 21st century."

Moreover, in connection with "duties assigned to organs" by the state, Governor Ota stated: "The Local Government Act revised in 1991 allows heads of local governments to decide on whether to accept or reject duties assigned to organs by taking interests of the local people into consideration." Thus, he stressed that his rejection of signing "is based on decentralization of power and the Local Government Act, both of which are fundamentals of democracy." And he added coolly that "he did not mean to deliberately aggravate the conflict with the state," but that "he has been doing what is appropriate."

In criticizing the measures taken by the government, Dietman Furugen stated: "In preparations for the Japan-U.S. summit talks scheduled for November, both the Japanese and U.S. Governments are trying to ease the situation with the hope of maintaining stability on military bases." And he encouraged the governor by stating his hope that "the governor would never yield to the pressure imposed by the two governments but persist in his position." In support of the governor's rejection of signing the documents, the JCP has launched a nationwide campaign for collecting signatures. Moreover, it has been reported that the JCP is making preparations for holding rallies in Kyoto and Osaka, in compliance with the "general rally of prefectural residents," scheduled for 21 October.

Okinawa Small Landowners Urge Bases Withdrawal

OW1410141895 Tokyo KYODO in English 1350 GMT 14 Oct 95

[FBIS Transcribed Text] Naha, Japan, Oct. 14 KYODO — Small landowners in Okinawa on Saturday [14

October] called for the withdrawal of all U.S. bases from Okinawa, describing the U.S. bases as "the root of all evil."

The appeal came at an emergency meeting of some 100 small landowners, who have refused to continue providing their land for U.S. bases, and their supporters.

The meeting followed a series of local protest rallies against the rape of an Okinawa schoolgirl, for which three U.S. servicemen have been indicted.

The rape incident has fueled local calls for reducing the U.S. military presence in Okinawa, home to 75 percent of the U.S. military facilities in Japan.

It has also prompted Okinawa Gov. Masahide Ota to refuse to sign documents needed to renew the forced rental of land owned by Okinawans for U.S. bases.

Moriteru Arasaki, a professor at Okinawa University and one of the representatives for a group of such landowners, criticized the central government for trying to maneuver Ota into canceling his decision not to sign such documents.

Defense Agency Chief Seishiro Eto is expected to visit Okinawa later this month to persuade Gov. Ota to drop his decision not to cooperate with the central government over the land rental issue.

Murayama in 'Difficult Position' Over Okinawa

OW1510124195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 14 Oct 95 Morning Edition p 2

[FBIS Translated Text] Prime Minister Tomiichi Murayama is finding himself in an increasingly difficult position, sandwiched between Okinawa and the United States. Okinawa Governor Masahide Ota has resorted to a tactic of refusing to sign contracts on behalf of land owners opposed to leasing land for U.S. military bases on Okinawa. Murayama has been unable to launch legal proceedings against Ota's action because Murayama's party, the Social Democratic Party of Japan [SDPJ], has traditionally conducted "anti-U.S. military bases campaigns." However, should the situation remain stalled, not only will it adversely affect the scenario under which Murayama and U.S. President Bill Clinton, who is scheduled to visit Japan in November, are to reconfirm the existing bilateral security arrangement and uphold the intimate, cooperative relationship between the two countries, but it will also have a bearing on the Diet's approving the recently concluded special agreement on Japan's cost burden of stationing U.S. military forces in Japan and may even cause a rift in overall Japanese-U.S. relations.

Past administrations under the Liberal Democratic Party's [LDP] single-party rule would have responded to Ota's action with the prime minister first notifying the governor in accordance with the Local Government Law to sign lease contracts on behalf of reluctant land owners and then issuing orders for the governor to carry out his duties. If the governor still refuses, the prime minister would then file a suit with the court, seeking judicial orders. On winning the case, the prime minister himself would then sign the lease contracts after which the Okinawan Prefectural Expropriation Committee would conduct deliberations and come to a decision. The prime minister would probably try to resolve the issue through such a series of procedures.

However, Murayama is firmly determined "not to take the issue to court." Responsible for his firm determination are not only his political beliefs as the chairman of the SDPJ, which has aggressively pursued anti-military base campaigns, but also the possibility that should Murayama resort to legal procedures, it may cause "rebellion" among members of the party's left-wing group who support the prime minister.

Lease contracts will expire in March 1996 and May 1997 on some land (approximately 35,000 square meters) used for U.S. military bases that will be affected by the expropriation procedures that have now become a problem. Defense Agency [DA] officials are getting nervous, saying that, in order to have lease contracts on some land signed before they expire next March, "the governor has only until the end of October to sign the documents considering all that will be involved in legal procedures and the Expropriation Committee's deliberations." If the lease contracts fail to get signed before they expire, it may become a grim reality for Japan to face the serious situation of failing to carry out one of its obligations under the Security Treaty; that is, to secure land for U.S. military bases. It has even been observed in some quarters of the SDPJ that "if asked to choose between filing a suit or resigning, Mr. Murayama may not try to hang on to his post."

Currently, there are no prospects for resolving the issue through dialogue. Among compromise proposals being considered by officials close to the prime minister are the following: 1) To allow Japanese authorities to take custody of U.S. soldiers suspected of crimes before their indictment and improve other criminal jurisdiction procedures through implementation of the Status of Forces Agreement [SOFA]; 2) to pledge an early resolution of the Naha military port relocation issue and other issues related to the retrenchment and consolidation of U.S. military bases on Okinawa; and 3) to present new, concrete plans to promote Okinawa's development such as increasing employment through public works projects. However, the Okinawan Prefectural government continues to take a tough stance, saying: "This is not a battle to gain concessions."

Cabinet ministers also seem divided on the issue. When DA Director General Seishiro Eto proposed that "further efforts should be made through implementing development programs," Hokkaido and Okinawa Development Agency Director General Masaaki Takagi retorted: "It is not just a matter of money." In some quarters of the SDPJ, voices have been raised suggesting that Japan should seize this opportunity to get some concessions from the United States in regard to military bases so that such concessions can be counted as points for the Murayama administration. However, the LDP has objected to this, saying: "If we are not careful about taking a tough stance against the United States, that could spark arguments in the United States that Japan is getting a free ride with the bilateral security arrangement." Thus, there seems to be division among the ruling coalition parties, too.

Regarding handling of the SOFA issue, Prime Minister Murayama and Chief Cabinet Secretary Koken Nosaka have so far been in complete agreement. Recently, however, it has been reported that when Nosaka mentions the Okinawan issue, Murayama looks annoyed and tries to change the subject.

SDPJ's Kubo on U.S. Base Issues in Okinawa

OW1610151995 Naha OKINAWA TIMES in Japanese 16 Oct 95 Morning Edition p 1

[Interview with Wataru Kubo, general secretary of the Social Democratic Party of Japan, by OKINAWA TIMES reporter Taeko Majikina in Tokyo; date not given]

[FBIS Translated Text] [OKINAWA TIMES] What do you think of the recent alleged rape by U.S. servicemen?

[Kubo] It is an unpardonable dreadful crime. The military bases should be removed. The bases are endangering Okinawa residents' lives despite the fact that they were built under a rational plan for the protection of the residents' lives and property. The case indicates the necessity of studying anew the military base issues.

[OKINAWA TIMES] You have repeatedly made positive remarks on the revision of the Status of Forces Agreement [SOFA], haven't you?

[Kubo] Foreign Ministry officials said SOFA does not hinder the rape investigation, but there were impertinent remarks, and they were a stumbling block to the investigation. Since the ministry has taken a stand of "improving the implementation of criminal jurisdiction procedures" without reviewing SOFA, I have continued to say "No" to the ministry's attitude.

[OKINAWA TIMES] What are the other problems with SOFA?

[Kubo] In addition to Section 5-C of Article 17 of SOFA, there are many questionable points such as the limitation of air space. These kinds of agreements or accords should be called into question for the improvement of those agreements by the party that is treating the issue unequally. Japan-U.S. friendly relations can be maintained only when all pacts and agreements are equal. It is utterly irresponsible to give up calling for revising agreements just because it is not easy to correct them.

[OKINAWA TIMES] The Foreign Ministry is concerned over the possibility that the issue will give impetus to moves toward reviewing the security pact. What is your view on post-Cold War security arrangements?

[Kubo] The security treaty was concluded under the situation wherein Japan was subordinate to the United States. But now the international situation has changed. Some people say that the issue of reviewing SOFA will possibly provide ammunition for inter-U.S. moves toward reviewing the security pact. I welcome such a possibility. I think, when calls for reviewing the security treaty mount, we can change the treaty, which places emphasis on military cooperation, to a friendship treaty centered around economic cooperation so that a true Japan-U.S. relationship will be established.

[OKINAWA TIMES] There are voices expressing dissatisfaction with remarks made by the prime minister and the foreign minister at Diet sessions. What do you think of this?

[Kubo] I can understand that the revision of the SOFA is an emergency task to carry out. But we have a partner, and it is not easy to change the situation as we desire. Moreover, in terms of the fact that the coalition partners are not always in accord on the security arrangements, it is inevitable to accept the situation — what the government can do now is to make one clear step forward. As a member of the ruling coalition, we will make efforts to expand and speed up the process.

[OKINAWA TIMES] There is growing attention to a special pact on Japan's burden of expenses for maintaining U.S. armed forces in Japan. What do you think?

[Kubo] Actually, providing "sympathy budget" aimed at financially supporting the U.S. military in Japan is not good. As long as the military bases were established based on an agreement between the two nations, the share of cost burden should have been decided through negotiations, and this is not a matter to be changed just because of the financial conditions of two countries. However, the special pact was already signed by ministers, and it is now given international faith and responsibility. However, details of the pact should be discussed thoroughly during Diet sessions as the first step toward reconsidering the base issues.

[OKINAWA TIMES] What do you think of Governor Ota's stand of refusing to sign documents on land lease for military use?

[Kubo] Such administrative procedures should not be rejected. However, when the fact that 75 percent of the U.S. military bases in Japan are concentrated on Okinawa and the recent rape case are considered, I think the governor, as a protector of Okinawa residents and the person in charge of the local government, it is a reasonable decision that should be respected.

[OKINAWA TIMES] The central government insists on settling the issue through a dialogue. What is your view?

[Kubo] It is not desirable that the central government will press the governor to sign documents by exercising such authority as invoking an administrative order, and the prime minister will not take such action. Eventually, I think, the government will come up with a concrete plan to scale down and abolish the military bases in an effort to win the Okinawan peoples' and governor's agreement. This will be a clue to the settlement of the issue.

[OKINAWA TIMES] What is your basic position in promoting the down-sizing of the military bases on Okinawa?

[Kubo] We Japanese citizens need to fully recognize that the military bases on Okinawa symbolize the fact that Okinawa made considerable sacrifices in ground warfare in wartime and the U.S. occupation after the war, and we should take Okinawa residents' demands as ours.

[OKINAWA TIMES] As for the three base issues [relocation of Naha Port, parachute training area in Yomitan, and training area for live-fire exercise currently being conducted at Camp Hansen], there is strong opposition to the relocation of the areas to other areas within Okinawa. Voices have emerged saying that 75 percent of the U.S. military bases should not be concentrated on Okinawa, and that such burden should be shared nationwide. What do you think of such calls?

[Kubo] This is a very difficult problem. We have to consider the feelings of people who will be forced to provide lands for the relocation of military bases. The bases on Okinawa were expanded during the Vietnam War and took root historically. For that reason, there are bases that can be relocated and those that can not. I think that it is important to make efforts first to cut back the scale of the military bases while considering the base issue centered in Okinawa. Taking advantage of the United States' disarmament policy, we need to eventually remove bases that are not necessary to Japan through dialogue.

Government Troubled by 'Okinawa's Anger'

OW1610135395 Tokyo ASAHI SHIMBUN in Japanese 15 Oct 95 Morning Edition p 2

[Unattributed article: "Government Encountering Difficult Problem With 'Okinawa's Anger'; Rape Incident by U.S. Soldiers — Intensifying Movement Questioning Japan-U.S. Security Arrangement"]

[FBIS Translated Text] Ever since the incident in which U.S. soldiers raped a young Okinawan schoolgirl, public uproar questioning how the Japan-U.S. security arrangement ought to be has been intensifying, spreading out from Okinawa. Responsible for this development is the fact that Okinawa has been continuously "burdened" with U.S. military bases even after the prefecture's reversion to Japan. The government has spelled out such measures as the promotion of retrenchment and consolidation of U.S. military bases. However, as long as Japan continues hitching a ride, even after the collapse of the Cold War structure, on the U.S. Government's Asia-Pacific strategy, the pillar of which is the presence of U.S. forces in Japan, it is inconceivable that Okinawa's "burden" will lessen, rather the burden is more likely to increase. How will the government appease "Okinawa's anger" while maintaining the Japan-U.S. security arrangement? The government is encountering this difficult question.

Deep-Rooted Distrust

"After Okinawan reversion, 12 civilians have been murdered by the U.S. military. There are too many criminal incidents and accidents." This was the explanation Okinawa Prefectural Government Policy Coordinator Choko Takayama gave regarding one of the reasons for Okinawa Governor Masahide Ota's refusal on proxy signing when he Takayama visited Noboru Hoshuyama, Defense Facilities Administration Agency [DFAA] director general, at the DFAA on 13 October.

According to the Okinawa prefectural police, the number of criminal arrests involving U.S. military-related personnel totals 4,716 (as of the end of August) since Okinawan reversion in 1972. Shortly after reversion, the number of arrests ranged from 200 to 300 per year. After 1983, however, the number of arrests dropped below 200, and basically there has been a downward trend. Last year, there were 98 arrests, but five of these were serious cases such as robbery and rape.

In recent years, there have hardly been any anti-U.S. military movements aroused by incidents involving the U.S. military. However, the recent rape incident has totally ignited the anger of the Okinawan people, who have been forced to tolerate the situation for so long. The fact that such a large portion of all U.S. military bases in Japan is concentrated in Okinawa has been an added burden on the Okinawans. Over 20 years have passed since Okinawa's reversion to Japan but only 15 percent of the total area used by military bases at the time of the reversion has been returned to Okinawan land owners. Governor Ota and the Okinawan people have a deep-rooted distrust toward the Japanese Government, which has neglected to drastically scale down U.S. military bases.

The government is taking the situation seriously in its own way, saying, "We understand the Okinawan people's sentiments very well" (as stated by Prime Minister Murayama). It has begun to work out ways to calm down the situation by promoting such steps as reviewing implementation of the Status of Forces Agreement. At an informal cabinet ministers meeting on 13 October, confirmation was made on a plan for the entire cabinet to buckle down to work out a comprehensive set of measures including development projects for Okinawa.

Geographical Value

However, it is uncertain whether the contents of such a package of measures the government plans to work out will be adequate in calming down Okinawa's "anger." In particular, it is extremely unlikely that there will be any immediate progress in scaling down U.S. military bases. This is because U.S. forces in Japan, particularly military bases on Okinawa, are intimately connected with the U.S. Government's Asia-Pacific strategy.

The "Report on East Asia Strategy" released by the U.S. Defense Department last February gives a high rating to the strategic value of U.S. military bases in Japan. As a matter of fact, approximately 8,000 soldiers were deployed from U.S. military bases in Japan to the Gulf War in 1991. Okinawa is the only place in the world other than the continental United States where the U.S. Military stations a Marine task force that is the first to be sent on emergency deployment to conflict sites. This fact symbolizes the high degree of Okinawa's strategic significance.

Even if U.S. military bases were to be relocated to mainland Japan, "local governments of relocation sites would inevitably object" (according to a senior DFAA official). In addition to such problems inherent with Japan itself, there is also another problem in that "it is doubtful whether the U.S. Military would comply so easily to moving off Okinawa" (according to a senior Foreign Ministry official).

The Japanese and U.S. Governments have been making arrangements to mention the issue of scaling down U.S. military bases in the joint statement to be issued during the Japanese-U.S. summit in November. However, there is no doubt that reactionary feelings against the Japan-U.S. security arrangement spurted out in Okinawa this time because of the fear that "the joint statement to reconfirm the significance of the Japan-U.S. security alliance would keep U.S. military bases permanently affixed to Okinawa." Reconfirmation of the significance of the Japan-U.S. security arrangement and the scaling down of U.S. military bases on Okinawa — how will the government manage to keep these two seemingly conflicting ideas compatible? The government is being pressed to make a difficult decision.

Defense Chief Eto Plans To Visit Okinawa Bases

*OW1610140095 Tokyo KYODO in English
1341 GMT 16 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 16 KYODO — Defense Agency chief Seishiro Eto will tour U.S. bases on Okinawa and have talks with Okinawa Gov. Masahide Ota during a two-day visit to the island prefecture starting Oct. 24, government officials said Monday [16 October].

The talks with Ota, aimed to break the deadlock over the governor's refusal to sign compulsory lease documents for private land within U.S. base compounds, will be held Oct. 25, the officials said.

Okinawa residents have long been demanding a return of land occupied by U.S. military installations. Seventy-five percent of the U.S. installations in Japan are concentrated in the prefecture.

The dispute with the central government over the lease extension cropped up after the Sept. 4 rape of a 12-year-old schoolgirl allegedly by three U.S. servicemen.

The government sent Noboru Hoshuyama, chief of the Defense Facilities Administration Agency, to Okinawa earlier this month to persuade Ota to drop his refusal, but Hoshuyama failed to meet with the governor.

Eto told the House of Councillors Budget Committee earlier Monday that he plans to discuss with Ota "the bases issue, Japan-U.S. security arrangements, as well as peace and stability in the Asia- Pacific region."

He also said that Tokyo "must consider the bases matter taking the basic stance that the burden of military facilities should be shared nationwide from Kyushu to Hokkaido," indicating readiness to relocate some of the Okinawan bases to other parts of Japan.

He also admitted that the government's efforts in reorganizing U.S. bases in Japan had been "insufficient."

Eto and the three other cabinet members concerned — Foreign Minister Yohei Kono, Chief Cabinet Secretary Koken Nosaka and Home Affairs Minister Masaaki Takagi, who also heads the Okinawa Development Agency — agreed Monday to come up with a scheme for Okinawa before the defense chief leaves for the island.

The scheme entails a speedy turnover of eight U.S. military facilities including a part of the Futemma airfield, whose return has already been agreed on in bilateral talks with the U.S.

A monorail line and other public works project will be launched in the prefecture to improve employment opportunities for local residents.

The scheme will also focus on the improvement of the application of the Status-of-Forces Agreement, a bilateral pact that has come under attack in the wake of the rape incident since it grants U.S. military personnel certain privileges.

Hawaiian Governor Sends Letter on U.S. Bases

OW1610052195 Naha RYUKYU SHIMPO in Japanese 15 Oct 95 Morning Edition p 1

[Article by Hawaii correspondent Keiko Ura]

[FBIS Translated Text] In view of the upsurge in public opinion in Okinawa for the reorganization and consolidation of U.S. military bases, triggered by the rape of a schoolgirl by U.S. soldiers, Governor Benjamin Cayetano of Hawaii sent an open letter to Governor Masahide Ota and the Okinawan people through RYUKYU SHIMPO, saying: "In the world scene, the Cold War has ended, and it is an opportune time to reduce U.S. bases on Okinawa. Some bases on Okinawa can be moved back to the United States, and Hawaii is willing to take them."

The governor of Hawaii is coming to Okinawa in November, and he has shown an interest in talking with the Okinawan people about the base issue. This is the first time that a U.S. governor has pointed out the need to return the U.S. bases on Okinawa, and this is expected to create a stir in the United States.

There have been daily reports in Hawaii on the rape of the schoolgirl by U.S. soldiers. This has aroused great interest among Okinawans living in Hawaii and other Hawaiians. The incident has also served to remind the Hawaiians of the situation on Okinawa, and make them show great understanding of the efforts being made to resolve the base issue.

Governor Cayetano commented on the rape incident, stating: "I greatly sympathize with the victim, her family, and the Okinawan people."

With regard to the Japan-U.S. security treaty, he affirmed that "it is certainly important for the two countries, as well as for the Pacific region." Nevertheless, he showed his misgiving with the fact that U.S. bases in Japan are concentrated on Okinawa, noting: "However, Okinawa is made to carry a heavy burden under the security treaty; it is very much distressed."

On the other hand, it was learned that Representative Neil Abercrombie of Hawaii has also made a similar suggestion to U.S. President Bill Clinton. He indicated the need to have more equitable distribution of U.S. bases in Japan, saying: "Unless the base issue on Okinawa is resolved, the Okinawan people's distrust of Americans will not disappear. It is also important for the United States to transfer U.S. troops concentrated in Okinawa to the Japanese mainland."

Representative Patsy Mink also pointed out that, "It is an unfair and discriminatory policy to station more than two-thirds of U.S. Forces Japan in Okinawa."

Herman Aizawa, Hawaii Board of Education chairman; and Mike Abe, Association of Okinawans in Hawaii president, also commented on this.

[This report is accompanied by a photograph of Cayetano's two- page letter in English. The following is the text of page one of the letter; page two is illegible:]

October 4, 1995

Open Letter to Governor Masahide Ota and the people of Okinawa.

The people of Hawaii join me in expressing sincere sympathy and concern for the victim, her family and all the people of Okinawa who have been outraged by the recent vicious attack there.

Okinawa and Hawaii are Sister States with a long history of close ties. Many of Hawaii's finest citizens trace their ancestry to Okinawa. Beyond people-to-people ties, our islands share much in common in geography, climate and economy.

Strategic ties between the United States and Japan are important to both nations and the Pacific region. But Okinawa has carried a very large share of the burden, with three-quarters of U.S. bases and nearly two-thirds of U.S. troops in Japanese there, though Okinawa is only one percent of Japan's land area.

Much of the land in Okinawa used for military purpose is near populated areas and important port facilities. This causes hardships and the prefecture's opportunities for economic diversification and growth have been limited.

I believe Japan should consider spreading some of the responsibility for supporting the U.S.-Japan strategic alliance, which does so much to insure Japan's security and prosperity, to other parts of that country.

And, with the end of the Cold War, the American military presence in Okinawa can be reduced. Some units of bases could even be returned to the United States—including Hawaii—where they would be more welcome.

Bases Move to Hawaii 'Difficult'

OW1610145495 Tokyo KYODO in English 1441 GMT 16 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 16 KYODO — Foreign Minister Yohei Kono said Monday [16 October] it would be difficult to transfer some of the U.S. bases in Okinawa Prefecture to Hawaii, as offered by Hawaii Gov. Benjamin Cayetano.

"Units and facilities needed by the Japan-United States security treaty are in Japan," Kono told a meeting of the House of Councillors budgetary committee.

"There are no units or facilities which are not necessary and can be moved to somewhere else," he said.

Cayetano, in an open letter addressed to Okinawa Gov. Masahide Ota and the Okinawa people, said, "With the end of the Cold War, the American military presence in Okinawa can be reduced. Some units or bases could even be returned to the United States — including Hawaii — where they would be more welcome."

Ota Plans To Discuss Proposal

OW1610053095 Tokyo KYODO in English 0447 GMT 16 Oct 95

[FBIS Transcribed Text] Naha, Japan, Oct. 16 KYODO — Hawaii Gov. Benjamin Cayetano has offered to accept some of the U.S. Forces stationed in Okinawa in southern Japan, Okinawa Gov. Masahide Ota said Monday [16 October].

Cayetano, in an open letter addressed to Ota and the Okinawa people, said, "With the end of the Cold War, the American military presence in Okinawa can be reduced. Some units or bases could even be returned to the United States — including Hawaii — where they would be more welcome."

In the letter, dated Oct. 4, Cayetano expressed "sincere sympathy and concern for the victim, her family and all the people in Okinawa who have been outraged by the recent vicious attack there," referring to the alleged rape of a 12-year-old Japanese schoolgirl for which three U.S. Servicemen have been indicted.

The incident has engendered strong feelings against U.S. military presence in Okinawa and elsewhere.

Ota said at a press conference he will discuss the Hawaiian proposal with Cayetano when he visits Okinawa in November.

About three-quarters of U.S. bases and nearly two-thirds of U.S. troops in Japan are stationed in Okinawa, which accounts for only 1 percent of Japan's land area.

Murayama: Need To Discuss Security With U.S.

OW1610102895 Tokyo KYODO in English 0947 GMT 16 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 16 KYODO — Prime Minister Tomiichi Murayama on Monday [16 October] proclaimed the need to discuss the basic framework of Japan- U.S. security arrangements in connection with the current dispute over U.S. military bases in Okinawa.

"It is now necessary to discuss the question about the system of the security arrangements and its basic framework," the premier told a meeting of government and ruling party leaders.

The leaders of the government and the tripartite coalition parties reaffirmed that the government and the coalition together will seek to resolve the dispute with Okinawa Prefecture, which cropped up after the rape Sept. 4 of a primary school girl allegedly by three U.S. servicemen.

Okinawa Gov. Masahide Ota has refused the government's request for cooperation over the forced rental of land owned by Okinawa residents for use by U.S. armed forces stationed in the southwestern Japan island.

Ota has refused to sign compulsory lease documents for the bases in the wake of the alleged rape, for which the three U.S. servicemen have been indicted. The incident has intensified antagonism to the U.S. military among Okinawa residents.

Defense Agency chief Seishiro Eto will visit Okinawa as early as Oct. 23 to meet Ota and try to achieve a breakthrough in the standoff.

Eto, speaking at a session of the House of Councillors budget committee, said the government is paying for its past negligence in seeking the return of U.S. facilities in Okinawa in bilateral talks with the United States.

Meanwhile, Hawaii Gov. Benjamin Cayetano said in an open letter delivered to Ota through a local newspaper Monday that some units or bases of the U.S. army in Okinawa could be scaled down and brought back to the U.S.

"And, with the end of the Cold War, the American military presence in Okinawa can be reduced. Some units or bases could even be returned to the United States — including Hawaii — where they would be more welcome," he said.

Koichi Kato, secretary general of the Liberal Democratic Party, the largest force in the coalition, told a news conference that the ruling coalition should take the initiative to settle the dispute with the prefectural government.

Kato said the three-party coalition is considering sending a delegation to Okinawa soon.

Separately, Murayama's Social Democratic Party is planning to dispatch representatives to a mass rally scheduled for Saturday in Okinawa to protest the rape of the 12-year-old girl.

There are nearly 30,000 U.S. troops on Okinawa, where about 75 percent of U.S. military installations in Japan are located.

Based on the law on land expropriation for U.S. forces, the central government is preparing to have some 2,900 Okinawan landowners agree to the continued leasing of their land before the expiration of the current arrangements in March 1996 and May 1997.

But the landowners, who possess some 387,000 square meters of land inside 13 U.S. forces' facilities, have refused to renew the leases.

Says U.S. Bases Dispute 'Urgent'

OW1610061695 Tokyo KYODO in English 0559 GMT 16 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 16 KYODO — Prime Minister Tomichi Murayama said Monday [16 October] that the dispute over U.S. military bases in Okinawa is the most urgent issue at the moment for his cabinet.

Murayama told a session of the House of Councillors Budget Committee that he will handle the issue as "the biggest task at the moment facing the cabinet."

Okinawa Gov. Masahide Ota has refused the government's request for cooperation over forced rental of land owned by Okinawa residents for use by U.S. Forces stationed there.

Ota has refused to sign compulsory lease documents for the bases in the wake of the alleged rape of a schoolgirl, for which three U.S. servicemen have been indicted. The incident has intensified antagonism to the U.S. military among Okinawa residents.

Defense Agency Director General Seishiro Eto said at the same Diet session that the government is now paying for its past negligence of efforts to seek return of U.S. facilities in Okinawa in bilateral talks with the United States.

Murayama brushed aside a call for an early dissolution of the House of Representatives for a snap general election, pointing to a variety of tasks that he must handle swiftly.

Later, Murayama told reporters that he would like to see the Okinawa base issue resolved by the time of the Nov. 20 summit meeting with U.S. President Bill Clinton.

Meanwhile, the government plans to submit to the Diet on Tuesday a bill for revising the law regulating religious organizations, government sources said.

The three-party ruling coalition wants to pass the bill through the current extraordinary Diet session, while the main opposition party Shinshinto (New Frontier Party) is opposed to it.

The revision has been proposed against the background of criticism that religious organizations enjoy too much favorable tax treatment and protection against outside investigations into their activities after the spate of crimes alleged to have been committed by the religious group Aum Shinrikyo.

Shinshinto is dead set against the planned revision since one of its main support groups is Soka Gakkai, a politically active lay Buddhist organization.

Ministry To Cut License Period of U.S. Flights

OW1610073295 Tokyo YOMIURI SHIMBUN in Japanese 15 Oct 95 Morning Edition p 5

[FBIS Translated Text] The Ministry of Transport [MOT] decided on 14 October to move up the license expiration date to 1 April 1996 for the "Nagoya-Honolulu route" and "Fukuoka-Honolulu route" of

Northwest Airlines flights, as well as the "Nagoya-Portland route" of Delta Airlines.

Since the U.S. Transportation Department decided to shorten the validity of the license on Japan Airlines' Sendai-Honolulu route to 1 April 1996, the MOT decided to move up the expiration of U.S. flights to the same date. This is in retaliation against the United States in order to stop the growth of inequality between Japan and the U.S. airlines. Usually, a flight license is renewed about every 12 months.

Murayama Faces Tight UN Meeting Schedule

*OW1410090995 Tokyo KYODO in English
0832 GMT 14 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 14 KYODO — Japan is having trouble arranging meetings between Prime Minister Tomiichi Murayama and other world leaders when he attends a special session Oct. 22 of the UN General Assembly, government sources said Saturday [14 October].

Part of the problem is Murayama's tight schedule, with only a single overnight stay in New York, due to the demands of an ongoing parliamentary session preventing him from leaving Japan for any extended period.

So far, meetings have been arranged with Singaporean Prime Minister Goh Chok Tong and UN Secretary General Butrus Butrus- Ghali, the sources said.

Japan is trying to arrange through diplomatic channels meetings with French President Jacques Chirac and Chinese President Jiang Zemin, since Murayama wants to urge them to put a stop to their nuclear testing, they said.

Murayama asked Chirac not to conduct such testing when they met in Paris in June, but France has since carried out two rounds of testing in its Polynesian territory in the South Pacific.

Thus Murayama hopes to meet Chirac again to protest against France's flagrant disregard of his request, they said.

The premier, however, does not necessarily need to meet Jiang this time because they can meet next month at an unofficial summit meeting of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka, western Japan, a senior Foreign Ministry official said.

He also wants to meet South Korean President Kim Yong-sam, but the prospects are dim, due in part to Korean anger over Murayama's recent remarks that the 1910 bilateral treaty, under which Japan annexed the Korean peninsula until 1945, was signed in a valid manner, the sources said.

Leaders from some 150 of the 185 UN member countries will join the special meeting to commemorate the 50th anniversary of the United Nations.

Minister Criticizes APEC Liberalization Plan

*OW1610105595 Tokyo KYODO in English
0930 GMT 16 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 16 KYODO — Farm minister Hosei Norota told the Diet on Monday [16 October] that Japan cannot support a proposal by the Asia Pacific Economic Cooperation [APEC] forum to liberalize farm trade within the region in 2010.

Norota told a House of Councillors Budget Committee meeting Japan's basic policy precludes a pledge on liberalization of farm trade.

The farm issue will be the focus of discussions at the APEC's summit meeting in Osaka in November.

Norota said due consideration should be given to sensitive problems in respective countries and that the liberalization process should start with areas where it is feasible.

Norota called for a package settlement of agricultural and forestry problems.

Japan will faithfully implement agreements reached at the Uruguay Round of world trade negotiations, he said.

Norota added that problems arising from farm trade in the future should be discussed at the World Trade Organization.

Political 'Strife' in LDP Leader Appointments

*OW1610090595 Tokyo SHUKAN DAIYAMONDO
in Japanese 7 Oct 95 pp 154-156*

[Article by political commentator Toichi Suzuki: "Shocking Low Turnout in the Liberal Democratic Party Presidential Election: Inside Story of the Reversal in Personnel Appointments That Gave Birth to Policy Research Council Chairman Yamasaki"]

[FBIS Translated Text]

The Actual Turnout of LDP Members Was 50 Percent

Voting and ballot counting for the Liberal Democratic Party [LDP] presidential election was held at LDP headquarters on 22 September, and Ryutaro Hashimoto scored a resounding victory over Junichiro Koizumi, as expected.

Ryutaro Hashimoto collected 239 votes from LDP Diet members and 65 from local party members, totaling 304 votes; Junichiro Koizumi collected 72 votes from LDP Diet members and 15 from local party members, totaling 87 votes.

Hashimoto won about three times as many Diet member votes and about four times as many local party member votes as Koizumi. Koizumi could not win a three-figure number (100 votes), which was his target. However, he won twice as many Diet member votes as the required number for running for the presidency, which is 30 votes.

Nagatacho's evaluation of the election was, "The result was satisfactory to both sides. They made a soft landing at just the right place."

Koizumi confided the following impressions, "My actual feeling is that I did the right thing. Many people expressed great interest in the election, and the media provided us places for policy debates. However, the number of local party member votes was contrary to expectation. Given the general repercussions, I felt that the number was small."

In the recent presidential election, two young men with a full head of black hair conducted detailed policy debates on television or at places open to the general public. Koizumi advocated privatization of three postal enterprises [postal services, postal savings, and postal insurance services], which gave the listeners a fresh surprise.

A voice was heard to say, "If Kono had run for the election, such a heated discussion would have been impossible."

Hajime Ishii, of the New Frontier Party [Shinshinto], said with a serious expression on his face, looking askance at the television, "This presidential election gave the LDP an upswing mood. Shinshinto also must think of conducting a public election for its presidency."

However, although the LDP was publicized through the media, the turnout of local party members, which is of great importance, was 50 percent in substance. Koizumi said, "It is not I but the LDP that lost the election." Just as Koizumi said, the election brought about a serious situation.

There are about 3 million LDP members, of whom about 1.5 million are eligible voters for the presidential election who have paid party fees for three consecutive years. On 11 September, voting cards in the form of double postal cards were sent from the Tokyo Central Post Office. Forty thousand cards returned due to unknown addresses. They were omitted in the turnout count. The date for a party convention had not yet been decided at the time of the mailing, so the deadline was not written on the cards. Later, JIYU SHIMPOU carried a notice to the effect that "voting cards must reach the Tokyo Central Post Office by 21 September." The arrangements were evidently inadequate, and about 500 cards reached the post office after the deadline.

Voting by mail was conducted in November 1982, when Kawamoto, Nakasone, Nakagawa, and Abe contested for the LDP presidency. At that time, a system was adopted in which "voting cards must be sent by registered mail and voting must be done by sealed voting cards." The turnout in 1982 was 93.16 percent. The recent turnout proves that "the election was totally lacking in enthusiasm and party members were quite inactive."

One LDP leader said, "A little over 50 percent turnout was a great shock to me. I was immediately seized with an ominous, uneasy feeling about the future."

Many leaders were unfavorably impressed by this figure in connection with a 44.5 percent turnout in July's Upper House election.

In a way, the election was "a game after the pennant winner has been decided." Every 10,000 rank-and-file party member votes are counted as equal to one LDP Diet member's vote, which may have dampened party members' enthusiasm. However, there seems to be a bigger problem than that.

Nobuyuki Akiba, chief of the LDP's Tokyo Branch secretariat said, "The recent tendency to leave the LDP may have returned. Many people may have joined Shinshinto, leaving the LDP."

Shizuka Kamei, who recently became chairman of the LDP Organization and Public Relations Headquarters, accepted the situation by saying, "The organizations submit lists of party members and pay party expenses for the members. Party members are conscious of being supporters of upper house Diet members, but they lack consciousness as party members. Through this election for the party presidency, I have found that party organizations are in a shaky situation. We cannot win elections unless we rectify this."

Party members have been valued as supporters of upper house elections, but it is of urgent necessity for the LDP to make the most of these people for lower house elections. Therefore, the LDP aims at its reorganization by imposing duty upon single seat constituency candidates and proportional representation constituency candidates to seek 5,000 and 1,000 new party members respectively.

Nakasone's Betrayal

At a 22 September news conference, new President Hashimoto said, "I have gained the support of a far greater number of lower and upper house Diet members than I expected, and I have been elected the LDP's 17th president. I am deeply impressed, and, more than that and at the same time, I keenly feel a heavy responsibility imposed on me. As to party personnel matters, I would like to form a fresh, stable, and active team."

After formally assuming the presidency at a party convention held on 25 September, Hashimoto conducted a fresh personnel matter like a flash of lightning.

The new lineup is: Koichi Kato, secretary general; Seijuro Shiokawa, General Council chairman; Taku Yamasaki, Policy Research Council chairman; Shizuka Kamei, Organization and Public Relations Headquarters chairman; Hiromu Nonaka, acting secretary general; Kenzo Muraoka, Diet Affairs Committee chairman.

Vice President Keizo Obuchi, Secretary General Hiroshi Mitsuzuka, and General Council Chairman Kabun Muto resigned. There was a striking contrast between Mitsuzuka, who served as secretary general for only about a month and a half and Kato, who jumped from Policy Research Council chairman to secretary general.

A voice was heard to say, "If Koizumi had won more than 100 votes, Mitsuzuka would have remained as secretary general."

Kato's assuming the secretary general post had been taken as a settled matter, and there was neither any objection nor any rival candidate. Koizumi had indicted the existence of a secret promise between new President Hashimoto and Kato that the former would give the secretary general's post to the latter. Everybody actually felt the existence of such a promise. Shiokawa's assuming the post of General Council chairman was decided on with so little fuss due to the recommendation of the former Seiwa Kai.

The problem was the Policy Research Council chairman's post, which was to be assumed by a member from the former Watanabe faction. This faction is almost equally divided into two camps — veteran members and medium standing and younger members. The veteran members gathered on the funeral day of former faction Chairman Michio Watanabe; and Koko Sato, Eiichi Nakao, and others asked those present to "unite together around former Prime Minister Nakasone." This group recommended Director Masaaki Nakayama as Policy Research Council chairman by claiming that "this is former Chairman Watanabe's will." Seiroku Kajiyama had supported this decision from the flank.

Meanwhile, medium standing and younger members, such as Katsutsugu Sekiya, Yoshiyuki Kamei, and Yoshio Kimura, recommended Yamasaki with determination, and they showed their intention to leave the faction if their decision was not accepted.

On the evening of 22 September, this group held a leaders' meeting consisting of former ministries; and seven men, Sato, Muto, Nakao, Nakayama, Yamasaki, Masakuni Murakami, and Taichiro Okawara, became "sponsors." It was decided that Sato should be this group's "negotiator" for LDP personnel matters. All this was carried out under Koko Sato's initiatives. However, younger members raised strong opposition to this, held a separate meeting, and showed their determination to leave the faction.

On 25 September, Yasuhiro Nakasone, who is the founder and kind of owner of the faction, began to say that "the personnel matter of the LDP's three key officials should be entrusted to President Hashimoto," and this was approved at the faction's general meeting. Over the telephone, Nakasone gave his consent to new President Hashimoto for the appointment of Yamasaki as Policy Research Council chairman. President Hashimoto, "as he expected, appointed fresh Yamasaki to the position of council chairman."

Thus, the veteran members suffered a crushing defeat. The former Keisei Kai leader said, "Their first and second candidates, Nakayama and Kaoru Yosano, are good for nothing. Nakayama voted twice for Kaifu in the nomination of prime minister last year. Therefore, it was undesirable for him to occupy one of the LDP's three key positions. Yosano was elected six times; and Yamasaki was elected eight times, which, however, were said to be not enough. Therefore, it was unreasonable for Yosano to assume that position."

However, more than anything else, it was the moves of Nakasone, a weathercock, that decided the game. On the evening of 25 September, Seiroku Kajiyma showed his anger at a meeting of his faction, "What a shame! I had been saying that the LDP's three key positions should not be assumed by two of the YKK [Yamasaki, Koizumi, and Kato] clique. In my telephone conversation with Nakasone, he approved the Nakayama appointment. This morning, Hashimoto consented to it. However, in the evening, there was a sudden change from Nakayama to Yamasaki. Nakasone turned traitor on the way. Hashimoto did not even notify me. This is nothing but policy inconsistency."

In Fuji Television's 3 September programs, Kajiyama touched on the change of Policy Research Council chairman from Mitsuzuka to Kato and incurred an LDP backlash. Since then, he has been "gagged." He flew into a passion for that reason, too.

Kajiyama Not on Speaking Terms With the New President

New President Hashimoto acknowledged, "Mr. Kajiyama does not talk to me in anger." At the same time, Hashimoto also said, "Mr. Nakasone said Yamasaki will be all right. I was very grateful for that."

Why did Nakasone help Hashimoto by going so far as to "betray" his comrades? New President Hashimoto says, "First, Mr. Nakasone probably wanted to wish me good luck on my departure. Second, he may have decided to avoid the faction's breakup because the Watanabe faction is rapidly reverting to the Nakasone faction."

Leaders, such as Koko Sato, Yoshiaki Kibe, and Eiichi Nakao, are Nakasone's longtime friends. Nakasone can control them even if there is temporary strife between him and them. However, younger members are closely connected with Watanabe, so Nakasone cannot control them. All this may have prompted Nakasone to act as he did.

However, those close to Yamasaki said, "Mr. Nakasone had been a consistent supporter of Yamasaki. He continued to say that he would make Yamasaki Policy Research Council chairman." If this is true, there is no doubt about Nakasone's betrayal of Koko Sato and Seiroku Kajiyama.

In connection with this personnel strife, it has become evident that Hashimoto's supporters have divided into two groups. Shizuka Kamei says, "One group is the 'society for realization of President Hashimoto' and the other includes Nakasone, Kajiyama, and Koko Sato. These two groups agree as far as the realization of President Hashimoto is concerned. They act in the same way on the surface, but they have different ideas and principles at heart. In short, the difference is whether they support Prime Minister Murayama or not."

It is said that Nakasone, Kajiyama, Hashimoto, and YOMIURI SHIMBUN President Tsuneo Watanabe had a meeting at Hotel New Otani in Kioicho on 17 August. It is said the following idea flew about at the meeting: "The LDP will be divorced from the Social Democratic Party of Japan [SDPJ] and Sakigake [Harbinger] by agreement this fall. The Diet should be dissolved and a general election held under Hashimoto's single-party cabinet." Hashimoto did not necessarily agree to this, but he was present at the meeting all the same.

On the other hand, Koichi Kato, Hiromu Nonaka, Shizuka Kamei, and others said, "We should continue to form a coalition with the SDPJ even under President Hashimoto. There is the danger of a single- party administration's falling into the status of an opposition party. We do not have to cross a dangerous bridge."

Nakasone and Kajiyama have a strong inclination toward a conservative-conservative union and have an aversion to the SDPJ. Nakasone and the late Michio Watanabe voted not for "Murayama" but "Kaifu" last year, which makes Nonaka, Kamei, and others very wary.

Kajiyama is said to have insisted at the inauguration of Hashimoto's election polling committee, "Mr. Michio Watanabe should be Election Committee chairman, and he should be vice president after the election." Kamei and Nonaka strongly opposed the plan, resulting in the birth of Election Committee Chairman Takao Fujimoto.

This time, the Nakasone and Kajiyama groups have fallen into a state of breakup, showing a double breakup tendency. Seen from the other perspective, it can be said that these two groups struggled for acquisition of new President Hashimoto, and that the "society for realization of President Hashimoto" won the game.

Now I would like write about points worthy of note in the future political situation.

First, how long will Foreign Minister Kono remain in the present cabinet? Kono attended a UN General Assembly session and a Japan- U.S. cabinet-level security dialogue scheduled for 26-27 September under the title of vice prime minister and foreign minister. Kono will leave the post of vice prime minister, but when will he resign as foreign minister? It is to be noted that when Kono leaves the cabinet, it is likely to be linked to Finance Minister Takemura's resignation.

Second, will the handing over of the reigns of government from Murayama to Hashimoto go smoothly? Some assume that it will take place after the Asia Pacific Economic Cooperation conference scheduled to be held in Osaka in November. However, it is uncertain because that problem is connected with the issue of the SDPJ's transforming itself into a new party.

Third, when will the next general election take place? The election is also connected with the handing over of the reigns of government. The time of Diet dissolution has come to the surface: either at the stage when the general provisions of the budget for fiscal 1996 have been made before the New Year, or when compilation of the budget has been completed after the New Year.

President Hashimoto has to jump over these hurdles in succession. Almost all the Diet members in Nagatacho are determined to survive "the next election."

EPA Chief Discusses Economic Prospects

OW1310140595 Tokyo EKONOMISUTO in Japanese 19 Sep 95 pp 76-79

[Interview with Isamu Miyazaki, director general of the Economic Planning Agency, by Senko Shudo, chief editor of EKONOMISUTO; place and date not given]

[FBIS Translated Text] [Shudo] People both inside and out of Japan point out that the Japanese economy is entering a strong, deflationary phase. What do you think of the current business situation?

[Miyazaki] In a word, the situation is very harsh. To put it abstractly, the economy is at a standstill. When the economy hit bottom in 1993, it was expected that it would have entered a recovery course by now, viewed in the light of statistics and past experience. However, the pace of the recovery is very slow. In addition, 1995 saw a great earthquake, various social incidents, a rapid appreciation of the yen, as well as a sluggish economy. Many economic indicators are negative, and of course, there are also some positive indicators, but the economy, as a whole, continues to be dull.

It is alright for us to leave the matter of the definition of deflation to scholars. However, I do not think that the economy as a whole will continue on a downward spiral. The abnormally strong yen has been redressed and has returned more or less to its fundamental level. As a result, the stock market has become relatively firm, and with the improvement of profits, there is a positive tendency to initiate capital spending. In that sense, not everything has gone wrong.

The question is what is going to happen in future. If left alone, there is a possibility that the fear of deflation will be actualized. However, in April the government announced emergency measures for the high yen and emergency economic stimulus measures. In June, the government took further steps to reinforce those measures. In July, the government took, as a separate policy, various measures to rectify the high yen, and there was also coordinated intervention. Thus the business mood has become a little better. The mood in the business world is improving, and the government should work to further this improvement. I think that if the government continues to push ahead with economic stimulus measures, the Japanese economic environment will not become pessimistic.

[Shudo] Private economists hold a firm belief that the economy peaked out in March, and that it has entered into a recessionary period again.

[Miyazaki] From the standpoint of the business cycle, it is too early to say that the economy has entered into a recessionary period again. I understand that is one point within the problem, however. In fact, in the United States, too, vigorous economic recovery is slowing down. However, almost nobody says that the U.S. economy has slipped into a recession again. Therefore, I think the same can be said of the Japanese economy. Seen from the business cycle, it is impossible to judge that the Japanese economy has entered into a recessionary period again.

[Shudo] Although you say so, does the government have to correct, sooner or later, the discrepancy between the economic growth forecast of 2.8 percent that the government made in December of last year and the actual feeling of growth?

[Miyazaki] I think we cannot sweepingly discuss the government's forecast of 2.8 percent and the private sector's forecast in the same context. I have a feeling that the forecast was a numerical target that the government tried to implement as a potential policy instrument. However, there is no denying that 2.8 percent has become a very problematic figure even if future policy efforts are taken into consideration. Obviously, we are in a situation where we have to reexamine the forecast.

[Shudo] It is embarrassing for the government to correct the forecast again after it corrected the forecast once, is it not?

[Miyazaki] There was no reason for the government to adhere to the forecast stubbornly and forever once it was made. It is explicitly written in the economic forecast that the figure is not set in stone. It is subject to change according to shifts in overseas situations. Not changing the figure under any circumstances is an approach based on a controlled economy. This figure is of that nature.

Efficiency Rather Than Quantity

[Shudo] In the past three years, various overall economic packages reaching 45 trillion yen were implemented. We have an accumulation of some 30 trillion yen worth of public works projects. Why did the Japanese economy not recover despite such measures?

[Miyazaki] I think there are various reasons for that. It is somewhat wrong to judge the current economic stagnation using the analogy of past periods of economic stagnation. The current stagnation has been caused by some reason that cannot be explained by theories based on past traditional business cycles alone.

What were the problems then? One of them was an erroneous diagnosis of the magnitude of the aftereffects of the bursting of the bubble economy. Commodity prices have gone down in the process of adjustment that followed the collapse of the bubble economy. Consequently, entrepreneurs and consumers' attitudes about liabilities and debts have become serious, resulting in inactive behavior. The propensity to consume has gone down, which, I think, is one of the causes for the cooling off of capital spending. I think we have made somewhat of a wrong estimate about the effect of the bursting of the bubble economy on consumers and entrepreneurs.

Seen from another aspect of the same problem, we find that financial institutions have a very large amount of bad debts. The liquidation of bad debts was a new experience for them, so things did not go well. This has thwarted economic recovery and has become a hindrance to economic stimulus measures. And, in addition to a rapid appreciation of the yen, there have been changes in employment practices recently. Therefore, everybody knows the necessity of adjusting the economic structure, but people have begun to have some anxiety about it. I think all of these things have combined to retard economic recovery.

Therefore, prescriptions for future economic policies should not simply be former economic stimulus measures, but policies that recover confidence in the financial system and so forth. I think that these policies must include economic restructuring that makes the most of vitality produced in the short-term.

Of course, technically speaking, we are faced with the following problem: public works projects, involving a colossal amount of money, were implemented whenever comprehensive economic measures were taken; but, why did such projects fail to have an impact on economic recovery? When viewed in perspective, it is true that the ripple effect from public works projects has decreased to some extent, but they have not been weakened suddenly and conspicuously for the past year or two. Although we have anticipated a high growth rate due to public works projects, contrary to expectations, investment by local governments has not progressed. In addition to this problem, there were also procedural problems concerning each project. We would like to reexamine those matters.

The situation will be improved by making a thorough inquiry into the system of public works projects. I do not think that those problems prove that Keynes' theory was wrong.

[Shudo] I think the government's economic stimulus package will be compiled on 20 September. What are the minimum requirements for the concrete contents and scale of a package aiming at a sure economic recovery?

[Miyazaki] The problem involves what kind of measure we should take. If we diagnose the current economic situation, we find that it is not enough to implement traditional domestic demand stimulus measures alone. Of course, in principle there must be expansion of domestic demand, expansion of fiscal spending for that purpose, and application of financial policies. In addition, we need to take positive steps conducive to economic recovery, such as the settlement of the bad debt issue which hinders economic recovery, promotion of labor mobility through structural adjustment, and creation of new business.

I think by "scale" you meant fiscal policy to be implemented in expanding domestic demand, the aspect of expenditure, in particular. The figures are under discussion now, so I cannot say anything about them. Unless there is a certain degree of scale, continuous contribution to the economy through public spending will be interrupted. People are saying that the amount will be 10 trillion yen. The larger the amount, the better it will be.

However, what we should do is to reflect why the economy has not improved despite such enormous spending in the past, and to make a searching inquiry into the problem. Then it will become evident that the problem is not necessarily in the scale of additional spending but in efficient implementation.

[Shudo] Are you going to reconsider the traditional distribution method of public works projects?

[Miyazaki] That will also be included. If we follow traditional distribution rates, efficiency will probably go down. If we implement future-oriented public investment with bright prospects, efficiency will improve. Of course, even in the existing social capital sector, we can learn from the Great Hanshin Earthquake. I think it is necessary for us to reconsider Japan's social capital from the standpoint of safety.

Self-Responsibility Is the Principle

[Shudo] The problem of bad debts, settlement of the problem of housing loan companies, Hyogo Bank, and Kizu Credit Union will be handled. Discussions are going on about the introduction of public funds, or about the merits and demerits of employing the U.S. style of liquidation. What is the best solution for Japan?

[Miyazaki] Since the Japanese economy is a market economy, in principle, top executives must assume responsibility for the success or failure of their business. Therefore, if the business is successful, naturally the fruits will belong to the entrepreneur; if not, the enterprise must assume the responsibility for it. I think this is the principle. Supervisors who control financial institutions must also assume responsibility. There was some confusion about the matter at the starting point. There was no clear demarcation.

However, even if financial institutions fail, we just cannot let them go bankrupt according to the principle of self-responsibility, nor can we place a very heavy responsibility on them for their failure. There are many investors and depositors who are also involved in the matter. At least depositors, small depositors in particular, must be fully protected. If people feel uneasy about the whole financial system and the process of the protection of depositors, there will be serious consequences. Therefore, I think some form of public assistance is necessary.

There are various forms and cases concerning public assistance, so I cannot make a sweeping statement about the matter. Special accommodations by the Bank of Japan may be possible, or government funds may be increased for that purpose. It is also possible to deal with the problem through mergers or absorption of financial institutions.

Self-responsibility and regulatory responsibility should be clarified; nevertheless, when the credit system faces the danger of being impaired, support must be given to it. The rescue of individual financial institutions should not be the first consideration.

I think we cannot make a sweeping statement as to whether the U.S. method of liquidation of bad debts is better or not.

[Shudo] There is a feeling that the domestic economy is taking a rest in the wake of the recent depreciation of the yen and the rebound of stock prices. What effect and what kind of a specific positive influences do they have on the economy?

[Miyazaki] Generally speaking, from the perspective of business mood, they have given the economy bright aspects. In actuality, they are instrumental in improving the profits of enterprises. I hope that they will stimulate the investment intentions and capital investment intentions of investors. If the future is unclear, investors will not invest. Enterprises, which have been thinking that it is about the time to make capital investment due to some progress in the adjustment of supply and demand, may be prompted to do just that by the depreciation of the yen and the rebound of stock prices. The Japanese economy is a private-led market economy, so the recovery of capital investment by businesses is of great importance to, and is symbolic of, the economic recovery.

The problem is whether the current trend of the yen and stock is constant or whether it is steady to some extent. I think the problem still remains. However, mere coordinated intervention does not solve the problem. The most important thing to do is to implement an economic recovery. And, unless the fact that the current account surplus is being diminished through economic recovery is made clear, exchange and stocks will take a downward course, or at least they may not be able to continue an upward course. It is for this reason that we need policy, and I think this is a good chance.

Increasing Japan's Growth Rate to Those of Industrialized Nations

[Shudo] There is a famous story about your prediction that "it will take three years for Japan to recover completely from the aftereffects of the first oil shock". I happened to hear that story only recently.

[Miyazaki] That is an old story, so it does not matter. What I wanted to say at that time was: It is kind of irresponsible not to clarify what will happen and when the result will be produced if such and such a policy is implemented; things will not move in the right direction unless we give the nation a clear perspective that the situation will improve if we persevere even under such a hardship.

[Shudo] If you said that, then, when do you predict that the Japanese economy will recover?

[Miyazaki] I would like to convey my feeling that a considerable economic recovery will take place in the latter half of this year, and that somehow or other the Japanese economy will be on the road to recovery around the end of next year.

[Shudo] When the Japanese economy recovers, do you think that Japan's potential economic growth will have attained 3 percent?

[Miyazaki] I think there are various forecasts concerning the potential economic growth, say, 3 percent or 3.5 percent. Anyway, Japan's growth rate is now the lowest of all OECD nations. It is unrealistic to compare Japan's growth rate with those of Asian countries. However, it will be strange if Japan's growth rate does not reach, at least, the average growth rate of industrialized nations.

I think that is possible. Speaking of Asia, I would like to say that it is impossible for the Japanese economy alone to be left behind when those of all the Asian nations are on the road of development amid the internationalized economy. The merit of a free economy is to pull ourselves up through the cooperation of all, is it not?

'Special Report' on Housing Firms' Bad Loans

OW1510140895 Tokyo SHUKAN DAIYAMONDO in Japanese 16 Sep 95 pp 24-30

["Special Report" by SHUKAN DAIYAMONDO editors Masafumi Tsujihiro and Shoyo Yutani: "The Difficulty in Resolving the Problem of Bad Loans Held by Housing-Loan Companies"]

[FBIS Translated Text] Japan's seven housing-loan companies, or "jusen," are now facing a serious financial crisis, as they have been unable to make any progress in their plan for restructuring over the past two years.

In January 1993, senior officials of the Finance Ministry's banking bureau, the Agriculture Ministry's economic affairs bureau, and Norinchukin Bank, which is the central bank for agricultural cooperatives, held a series of meetings at a conference room of Norinchukin Bank.

At that time, which was a few months before the settlement of accounts for fiscal 1992, Japan Housing Loan Co., a company listed on the Tokyo Stock Exchange, found itself in a tight place, as it had liabilities in excess of assets. Six other housing-loan companies were also confronted with similar financial difficulties. Only Kyodo Housing Loan Co. was excluded from the list of ailing housing-loan companies.

The seven housing-loan companies owed a total of 13 trillion yen to various financial institutions. Financial institutions affiliated with agricultural cooperatives constituted the largest category of lenders to the housing-loan companies. These financial institutions, which together had 5.5 trillion yen in loans outstanding to the jusen, strongly stressed that the city banks and the regional banks, which played a major role in founding the jusen, were fully responsible for the financial trouble of their jusen affiliates. The Ministry of Finance was put under pressure to work out a restructuring plan for the seven troubled housing-loan companies.

Senior officials of the Finance Ministry's Banking Bureau, the Agriculture Ministry's Economic Affairs Bureau, and Norinchukin Bank reached a five-point agreement after a series of long and difficult negotiations. First, they decided to reduce the interest rates on the housing-loan companies' borrowings from their parent banks to zero, those on borrowings from financial institutions affiliated with agricultural cooperatives to 4.5 percent, and those on borrowings from other lenders to 2.5 percent. Second, they agreed to revise the 4.5 percent interest rate on loans from financial institutions affiliated with agricultural cooperatives, in the event of an increase in the official discount rate. Third, they wanted the parent banks to accommodate their jusen affiliates with new loans in case of necessity. Fourth, they decided to invest the financial institutions affiliated with agricultural cooperatives with the right to receive payment in preference to other creditors. Fifth, they wanted the Bank of Japan to extend low-interest loans through Norinchukin Bank to prefectural credit federations of agricultural cooperatives, whose operations would be crippled by these measures.

After reaching the agreement, the director general of the Finance Ministry's banking bureau and the director general of the Agriculture Ministry's economic affairs bureau signed a memorandum on 3 February 1993. This memorandum was recently made public. Based on the five-point agreement, the Ministry of Finance implemented a 10-year rehabilitation plan for the distressed housing-loan companies, by overriding the parent banks' objection that the rehabilitation plan too heavily favored the financial institutions affiliated with agricultural cooperatives.

Moreover, the Ministry of Finance urged the jusen's parent banks to submit a signed and sealed instrument promising that they would take full responsibility for rebuilding the ailing housing-loan companies. The parent banks made frantic efforts to reject the Finance Ministry's demand, but in vain. This is why the Agriculture Ministry, as well as the financial institutions affiliated with agricultural cooperatives, still believe that the jusen's parent banks are committed to never make financial institutions affiliated with agricultural cooperatives suffer loan-related losses.

Financial Institutions Affiliated With Agricultural Cooperatives Gird Themselves for a Judicial BattleAgainst the Jusen's Parent Banks

When the 10-year rehabilitation plan was implemented in 1993, even Finance Ministry's senior officials described it as an emergency life-support system. The plan was formulated on the assumption that the national economy would pick up, bringing about an increase in land prices, as well as in share prices. Unfortunately, the makeshift plan led to the worst consequences. The jusen's non-performing loans swelled as land prices continued to fall.

In August 1995, a parent bank directly questioned a Tokyo-based real estate broker to whom its jusen affiliate had outstanding loans about prospects for repayment. "I can manage to sell my land properties for cash. However, in the case of lands located in commercial areas, I will only be able to get the equivalent to 10 percent of the amount I borrowed from the housing-loan company, and the equivalent to 20 percent in the case of lands located in residential areas," the real estate broker said.

Now, a total of 286 financial institutions have outstanding loans to the seven housing-loan companies. Every lender will suffer huge losses if these housing-loan companies are simply dissolved. Most financial institutions are unable to bear such financial burdens.

The dispute between the jusen's parent banks and the cooperative- affiliated financial institutions is now heating up. There has been constant friction between the two camps since the housing-loan companies were established in 1971.

The jusen's parent banks maintain that all creditors must be fully responsible for all risks involved in their lendings. They say, "Investments always entail risks, and it is only natural for lenders to share losses in proportion to the amount of loans they made."

The financial institutions affiliated with agricultural cooperatives are strongly opposed to such a view. "Private-sector banks played a major role in establishing the jusen. Moreover, they have been controlling the housing-loan companies as affiliates, by putting their officials into the jusen's top positions. The parent banks should take full responsibility for rebuilding the jusen. This is a matter of common sense. We don't say that lenders are not responsible at all. However, much of the responsibility lies with the parent banks," they said.

Let's calculate how different financial institutions would be affected depending on who might be forced to take the most responsibility. If all lenders, including the parent banks, are simply ordered to share losses according to the amount of loans they have outstanding, the 11 city banks would suffer estimated losses of only 769.6 billion yen, while if the parent banks are ordered to take full responsibility, they would lose 1.78 trillion yen. If the parent banks are ordered to take full responsibility, the financial institutions affiliated with agricultural cooperatives would lose nothing, while if all lenders are simply ordered to share losses, they would suffer estimated losses of 2.874 trillion yen.

It seems that there is no way to solve the dispute between the jusen's parent banks and the financial institutions affiliated with agricultural cooperatives, because their opinions are too far apart. As a compromise measure, there is a new idea of making the parent banks write off all their outstanding loans to the seven housing- loan companies and give up real estates held as collateral, and then to have other lenders share the remaining portion of the burden according to the amount of loans they made.

The Ministry of Finance is now maneuvering in order to resolve the jusen issue based on the compromise plan.

However, this compromise plan is being met with much-stronger- than-expected resistance by the financial institutions affiliated with agricultural cooperatives. They are ready to fight in order to settle the jusen issue as much as possible in their favor. "We have legal bases, and we are ready to bring the matter to court," a senior official of a cooperative-affiliated financial institution said.

Many parent banks are also ready to engage their enemy. "It is a rule in a capitalist society to liquidate an insolvent private company. When a private company is dissolved, all creditors have equal responsibility and should share losses according to the amount of loans they have outstanding. If the financial institutions affiliated with agricultural cooperatives stick to their opinion that the parent banks should take full responsibility, we may decide to liquidate the seven housing-loan companies," a senior official of a parent bank said. The parent banks fear that they may become a target of derivative lawsuits once they are ordered to shoulder a great burden exceeding the amount of loans they made to the jusen. If their stockholders file derivative actions against them, they are afraid that they will not be able to win.

The financial institutions affiliated with agricultural cooperatives are girding themselves for a judicial battle. The housing-loan companies were founded by private-sector banks. The parent banks placed their officials in the top positions of their jusen affiliates. They supported the jusen's lending operations by furnishing funds. Because of such dependence, the housing-loan companies are entitled to ask their parent banks for relief financing, in accordance with the principle of fidelity and sincerity, which is stipulated in Section 1 of the Civil Code Act. The housing-loan companies can go to court against their parent banks for damages if the parent banks decide to liquidate them without fulfilling their obligations to furnish relief funds.

If the parent banks let their jusen affiliates go into bankruptcy, the law obliges bankruptcy administrators and liquidators to demand compensation for damages to the parent banks. If they do not claim damages, the jusen's creditors are entitled to ask bankruptcy administrators to do it.

Moreover, if the housing-loan companies become bankrupt, all creditors will not be asked to strictly share the financial burden in an equal way. Creditors other than parent companies will be treated favorably in accordance with the special rule on liquidation of the Commercial Code Act and the corporate rehabilitation law.

If the housing-loan companies claim against their parent banks for compensation, the parent banks may be forced to shoulder a financial burden exceeding the amount of their outstanding loans to the jusen. In such a case, the parent banks' stockholders may file derivative actions against their banks and the parent banks will not be able to win.

Such arguments made by the cooperative-affiliated financial institutions should make the Ministry of Finance and the jusen's parent banks sick. "I know why the agricultural financial institutions do not hesitate to assume an aggressive attitude. They have an advantage that agricultural cooperatives have great influence on politicians. However, as president of a private-sector bank, I really don't understand why they want to place the responsibility on us to that extent," the president of a high-ranking city bank said.

Meanwhile, there is a lack of unity among the private-sector banks. At a recent liaison meeting of Housing Loan Service Co., Mitsubishi Bank startled other parent banks, which still maintain the principle that all creditors must be fully responsible for all risks involved in their lendings, by supporting the above-mentioned compromise plan.

Mitsubishi Bank has extended almost all of its outstanding loans to its jusen affiliate. This means that it will suffer great losses if it has to give up everything under the compromise plan. Despite that, it supported the compromise plan, because of its planned merger with Bank of Tokyo. As a non-parent lender, Bank of Tokyo has 230 billion yen in outstanding loans to the jusen. Therefore, if all creditors are simply ordered to take responsibility, the future Mitsubishi-Tokyo Bank will suffer huge losses. The compromise plan, which is more painful to Mitsubishi Bank, turns out to be less painful to the future Mitsubishi-Tokyo Bank. The interests of each parent bank are deeply implicated in the jusen issue.

A Parent Bank Shuffled Bad Loans Held By Its Jusen Affiliate for Fear That They Might Be Found by the Finance Ministry's On-Site Investigations at the Jusen

Despite the struggle, the Ministry of Finance, the jusen's parent banks, the Ministry of Agriculture, and the financial institutions affiliated with agricultural cooperatives are all of the same opinion that a debt-disposal scheme should be hammered out by whatever means is required.

Japan's financial system is losing its credibility. Foreign nations are taking an extremely severe view of Japanese banks. "Jusen" is regarded as the central issue of Japan's bad-loan problem, and its settlement is attracting a good deal of international attention. Thus, all concerned parties are of the same opinion that they need to find a solution to the jusen problem in order to recover the credibility of the Japanese financial system.

With an eye to injecting public funds to rescue financial institutions, the Ministry of Finance has drawn up the following timetable to announce a basic policy on the disposal of bad loans held by Japanese financial institutions by the end of September, based on the report to be submitted by the Financial Stability Committee; to work out a debt-disposal scheme for the housing-loan companies by November; to secure the Diet's approval for the related bills during the next regular session in January; and to implement necessary financial measures so that it will be able to liquidate the debt of at least one housing-loan company by the end of March 1996.

On August 16, the Ministry of Finance began to conduct on-site investigations at the housing-loan companies. It examined how bad loans were created and how they ballooned, in order to determine who was responsible for the financial trouble. The Ministry of Finance wanted to prepare a debt-disposal scheme that apportions the losses to the concerned financial institutions in a realistic way.

Needless to say, the jusen's corporate lendings increased considerably during the so-called bubble economy period when banks became absorbed in extending loans to anyone. Banks used housing- loan companies as an instrument to secure their lending operations.

For instance, there was a case in which a city bank introduced a potential borrower to a housing-loan company, which was affiliated with financial institutions other than city banks. The housing-loan company decided to advance loans to the borrower, to which the city bank had outstanding loans. The borrower used the loans from the housing-loan company to repay the city bank. As a result, the housing-loan company was saddled with bad loans. There are many other cases similar to this. It is as if housing-loan companies were a garbage bin for the banks.

In another case, a parent bank checked the list of companies receiving loans from its jusen affiliate, and each time it found a solvent borrower, it took over the outstanding loans from its jusen affiliate. This kind of case was not rare either.

It is said that the Ministry of Finance is making a thorough investigation. The following points are strictly checked. Which banks introduced potential borrowers to the jusen? What are the relations between the banks and the companies introduced as potential borrowers to the jusen? What kind of benefit did the banks receive by introducing potential borrowers to the jusen? Who approved the loans at the jusen side? Was the jusen's decision- maker an official on lease from a parent bank?

A parent bank, which anticipated the Finance Ministry's on-site investigation, tried to conceal its jusen affiliate's bad loans, for which it was fully responsible, in a way that may be called "bad loan shuffling." For instance, let's suppose that the bank's jusen affiliate has a total of 10 billion yen in nonperforming loans to a real estate agent, while the real estate held as collateral on these bad loans is valued at only 2 billion yen. The housing-loan company is ordered to extend 10 billion yen in loans to its parent bank's paper company. With this money, the paper company buys the real estate agent's debt. The real estate agent uses the 10 billion yen it received from the paper company to repay the housing-loan company. The result is that the balance of the housing-loan company remains unchanged despite an increase in new loans. In any case, this does not mean that the housing-loan company was successful in extending good loans and recollecting outstanding loans.

Despite these efforts, this parent bank will probably not be able to evade its responsibility, as it is certain that its bad loan shuffling will be spotted by the Finance Ministry's inspectors.

For each housing-loan company, the following points are also checked by the Finance Ministry: whether or not the housing-loan company is listed on the Tokyo Stock Exchange (among the seven housing-loan companies, Japan Housing Loan Co. and Daiichi Housing Loan Co. are so listed); whether the president of the housing-loan company is from a parent bank or whether he is a former official of the Finance Ministry; whether the founders of the housing-loan company include both banks and securities firms or only banks (in the case of a housing-loan company co-founded by banks and securities firms, the financial burden to be shouldered by the parent banks will be decided in a different way); whether the housing-loan company's parent banks directly asked the financial institutions affiliated with agricultural cooperatives to advance loans to the housing-loan company; and whether all parent banks took part in the establishment of the housing-loan company (in the case of Japan Housing Loan Co., some parent banks are not founders).

Based on the results of the on-site investigations, the Ministry of Finance will order each parent bank to take responsibility for the swelling of bad loans at the jusen. It is probable that some banks will have to shoulder a financial burden exceeding the amount of loans they made to the housing-loan companies. According to an executive official of a long term-credit bank, this is what banks are fearing the most; that is, that they will be ordered to write off all the loans to the jusen and more.

In the case of the housing-loan companies that do not owe much money to their parent banks, other lenders will be forced to shoulder most of the burden, even if the compromise plan is adopted. The fact that circumstances differ considerably from housing-loan companies is making the settlement of the jusen issue more difficult. The Ministry of Finance is well aware that it will meet strong resistance to financial institutions affiliated with agricultural cooperatives if it uniformly implements the compromise plan.

The First Possible Scheme Is To Write Off All Uncollectible Loans and To Set Up a Special Company To Take Over the Jusen's Remaining Assets and Liabilities

The number of conceivable debt-disposal schemes is limited, because all of the following factors have to be taken into consideration: what the parent banks and the cooperative-affiliated financial institutions profess and what they really think, the results of the Finance Ministry's on-site investigations, the pressure from foreign countries, the Finance Ministry's will, and the existing regulations that may impede the implementation of certain measures.

The seven housing-loan companies' good loans are estimated at some 6 trillion yen: 2 trillion yen as housing loans and 4 trillion yen as corporate loans. As a matter of course, a portion of these good loans may transform into nonperforming loans in the near future. However, the question is how to make efficient use of these good loans.

Meanwhile, certified public accountants advised the Finance Ministry that it would be very difficult for them to accept a partial write-off plan, which was regarded as indispensable to write off huge bad loans. Under such circumstances, it seems to be very difficult to liquidate the debt of the seven housing-loan companies at once.

Moreover, the government wants to avoid the injection of public funds as much as possible, and at the same time to minimize the financial burden to be shared by the financial institutions affiliated with agricultural cooperatives.

Since several housing-loan companies extended bad loans to the same borrowers, there is a complicated conflict of interests among the housing-loan companies. Therefore, there is great merit in disposing of their bad loans in a block.

The first conceivable scheme aims at restructuring the housing- loan companies.

Bad loans classified under Category 4 by the Finance Ministry are considered to be unrecoverable. It is indispensable to write off all these loans. Meanwhile, bad loans classified under Category 3 are considered to be collectable. Under the first conceivable scheme, all lenders, including the parent banks, will be asked to share the burden by writing off their loans falling under Category 4. They are expected to write off a total of 3 to 4 trillion yen. The financial institutions affiliated with agricultural cooperatives will suffer estimated losses of 1.27 to 1.70 trillion yen. It is said that the cooperative-affiliated financial institutions are able to shoulder a financial burden up to 1 trillion yen. Thus, under the first conceivable plan, they will be asked to bear a greater burden. Bank of Japan will extend low-interest loans to Norinchukin Bank. Norinchukin Bank will inject money into the Agricultural and Fishery Cooperative Savings Insurance Corporation. The Corporation will rescue prefectural credit federations of agricultural cooperatives that are unable to shoulder the financial burden. If prefectural credit federations accept such financial help, their executive managers will be forced to take responsibility. That could translate into confiscation of their properties. The Finance Ministry wants to avert such forfeiture. Thus it will try to settle the situation by only making the heads of the prefectural credit federations resign to take responsibility.

The next step under the first conceivable scheme will be the creation of a special company to take over the remaining assets and liabilities of the seven housing-loan companies (or perhaps of the eight housing-loan companies, including Kyodo Housing Loan Co.). The point is that the special company will be entirely funded by the jusen's parent banks. The parent banks will also advance low- interest loans to the special company. The new company will also issue government-guaranteed bonds to raise funds. Each housing-loan company will transfer all of its loans other than those falling under Category 4 to the special company. The special company will have separate accounts for each housing-loan company. The company will spend 10 to 15 years collecting the loans. The jusen's parent banks will be responsible for disposing of loans that will become unrecoverable in the long run. Each housing-loan company will promote a self-restructuring plan by reducing the number of its branch offices, by discharging all employees simultaneously, and by then calling some of them back to work.

This debt-disposal scheme is in line with the compromise plan to have the jusen's parent banks write off all the loans they extended and to have other financial institutions share the remaining loan- related losses. However, depending on the results to be achieved by the special company, the jusen's parent banks may be forced to shoulder a greater burden, while the financial institutions affiliated with agricultural cooperatives will have to write off only loans falling under Category 4. This scheme may not require the injection of public funds.

The Second Possible Scheme Aims at Preventing Cooperative-Affiliated Financial Institutions from Registering Loan-Related Losses

Politicians belonging to the ruling Liberal Democratic Party are now opposed to the idea of injecting public funds to rescue financial institutions affiliated with agricultural cooperatives, because they know that if agricultural cooperatives accept public funds, their leaders will be forced to resign to take responsibility. Politicians want to avert such resignations, because agricultural cooperative leaders have great influence in elections.

The cooperative-affiliated financial institutions do not want to write off their debt. Meanwhile, the Finance Ministry may not be able to disregard the contents of the above-mentioned memorandum. "If the Finance Ministry wants to make the cooperative-affiliated financial institutions participate in the debt-disposal scheme, it has to take the contents of the 10-year rehabilitation plan into consideration," an official of a parent bank said.

Under such circumstances, the second possibility is to implement a debt-disposal scheme in favor of the cooperative-affiliated financial institutions.

Under the second conceivable scheme, the parent banks will be ordered to write off all the loans they extended to the housing-loan companies, in order to squeeze the amount of bad loans held by the jusen (in the event that the implementation of a partial write-off plan is not allowed, some parent banks may get into trouble). Each housing-loan company will transfer its remaining assets and liabilities to a special company. The special company will be financed by the parent banks, according to their responsibilities. The parent banks will also advance low-interest loans to the special company. In other words, the parent banks will be ordered to bear a greater burden under the second conceivable scheme.

Bank of Japan will extend special loans to the company. The company will issue government-guaranteed bonds to raise funds, while the government may also inject public funds directly into the company. The company will spend 10 to 15 years disposing of bad loans while collecting recoverable loans.

The point of this scheme is that the parent banks, as well as non-parent banks, will be ordered to help the cooperative-affiliated financial institutions by advancing low-interest loans to them.

Under this scheme, the cooperative-affiliated financial institutions will not need to write off their bad loans, as this will be done by the special company. In fact, receiving low- interest loans from other financial institutions is the same thing as writing off bad loans. However, their books will not show any loan-related loss. This is the merit of this scheme. The drawback is that the cooperative-affiliated financial institutions will inevitably lose an important earning source, namely the housing-loan companies, which have been paying 4.5 percent interest on loans from the cooperative-affiliated financial institutions. The cooperative- affiliated financial institutions should at least suffer this pain, as the public will never tolerate a debt-disposal scheme that will not cast any burden on them.

The second possible scheme may also receive the approval of other financial institutions, such as trust banks, which also have huge outstanding loans to the jusen.

Meanwhile, there is another important problem: what to do about the real estate companies that borrowed money from the jusen. These companies are not even paying interest on their loans from the housing-loan companies. The executives of these companies are not paying attention to their responsibilities for the jusen issue. They continue to live free and easy, playing golf, driving around in expensive foreign cars, and attending parties. The public will never accept the injection of public funds to rescue financial institutions unless these real estate companies are liquidated and their executives take responsibility in some way.

It is indispensable to increase liquidity in the real estate market, in order to resolve the jusen issue and the bad-loan issue. The land tax system should be revised, while the Government should buy real estates held as collateral by financial institutions on bad loans. These measures will considerably affect real estate companies. Parent banks, lenders, and borrowers are all responsible for the jusen issue.

Loans extended by various financial institutions to the seven housing-loan companies totaled some 13 trillion yen. Loans extended by the financial institutions affiliated with agricultural cooperatives accounted for 42.4 percent, while those advanced by the parent banks amounted to 28.6 percent.

If all creditors, including the parent banks, are simply ordered to share the financial burden in proportion to the amount of loans they made, the cooperative-affiliated financial institutions will inevitably suffer great losses. The prefectural credit federations of agricultural cooperatives will be in the hole to the tune of 1.75 trillion yen. They are unable to write off such losses by themselves. As for the National Mutual Insurance Federation of Agricultural Cooperatives, it will take as long as 27 years to make up its loan-related losses, on the assumption that it will continue to make certain profits.

If the parent banks are ordered to write off all the loans they extended to the jusen, and if other lenders are ordered to share the remaining burden according to the amount of loans they have outstanding, the trust banks will be unable to cover their loan-related losses, even by using their profits on securities sold. Meanwhile, the prefectural credit federations of agricultural cooperatives will be able to make up their losses. As for the National Mutual Insurance Federation of Agricultural Cooperatives, it will take only 17 years to cover its loan-related losses. The problem is that the financial institutions affiliated with agricultural cooperatives will lose an important earning source. These financial institutions have been able to realize profits, because the housing-loan companies have been paying 4.5 percent interest on loans from these financial institutions.

In the case of Mitsubishi Bank, which will soon merge with Bank of Tokyo, the company alone will suffer less if all creditors are simply ordered to share losses according to the amount of loans they have outstanding. However, once it merges with Bank of Tokyo, the new bank will suffer less under the compromise plan. The following long-term credit banks and trust banks will be unable to make up for their loan-related losses: Nippon Credit Bank, Yasuda Trust & Banking Co., Toyo Trust & Banking Co., Chuo Trust & Banking Co., and Nippon Trust & Banking Co.

North Korea

Former U.S. Secretary's Remarks Viewed

SK1510090695 Pyongyang KCNA in English
0831 GMT 15 Oct 95

["Anachronistic Utterances of Pseudo-Politician" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 15 (KCNA) — The former U.S. state secretary, Baker, at a "roundtable conversation" with foreign reporters on October 11 let loose a string of ballad that he is opposed to the United States' provision of light water reactors [LWRs] and heavy oil to the Democratic People's Republic of Korea because the DPRK violated the agreement of the International Atomic Energy Agency and international norms". [no beginning quote marks as received]

As to the nuclear issue on the Korean Peninsula, it is a matter produced by the United States, and the violators of the agreement of the IAEA are the United States and seditious elements of the IAEA who made double standards within the agency.

He revealed his bellicose colors once again by making a reckless remark that "North Korea is an unbelievable country" and totally opposing the implementation of the DPRK-U.S. framework agreement.

We cannot but take a serious view of the fact that Baker opposed the question of offering light water reactors and heavy oil in the van of the hardline bellicose forces of the United States.

When the negotiations for providing light water reactors are under way, he stood against it. This is a revelation of his heinous intention to abrogate the DPRK-U.S. framework agreement and worsen the DPRK-U.S. relations. The abrogation of the DPRK-U.S. framework agreement will never bring good results to the United States.

Baker must not act rashly. The more he cries for the anachronistic hardline one-sided policy, the further he may precipitate his destruction as a politician.

Commentary Decries U.S.-ROK Military Exercise

SK1610120795 Pyongyang KCNA in English 1022 GMT 16 Oct 95

["NODONG SINMUN on 'Fowl Eagle '95' Manoeuvres" — KCNA healdine]

[FBIS Transcribed Text] Pyongyang, October 16 (KCNA) — The joint military exercise, codenamed "Fowl Eagle '95," which is being staged by the United States and the South Korean puppets, is a very dangerous war gamble bearing close resemblance to the "Team Spirit" nuclear war exercises against the North, which had been staged in South Korea every year, in the scope of its participants and its offensive nature, says NODONG SINMUN today.

The "Fowl Eagle '95" expected to be held in the days from October 13 to November 17 is being participated in by the U.S. troops stationed in South Korea, most of the South Korean puppet army, many troops from the U.S. mainland and the Pacific region and huge combat equipment including warships belonging to the U.S. Seventh Fleet. The "U.S.-South Korea Combined Forces Command" stated that the manoeuvres were aimed at accumulating "experience of field operations" of the U.S. troops and the South Korean puppet army necessary for the "event of contingency."

In a commentary titled "Eagle Taking Wing for Invasion of the North," the paper says:

The United States and the South Korean puppets are challenging and provoking all the Korean nation and the world's peaceloving people desirous of peace and peaceful reunification of Korea by driving the situation of the Korean Peninsula to the brink of war through the manoeuvres.

Now working level-negotiations are under way between the Democratic People's Republic of Korea and the United States for a successful implementation of the [light-water reactor] framework agreement. (?But at this) time the U.S. and the South Korean puppets have started a provocative war gamble with vast armed forces against the DPRK. We cannot remain an onlooker to this.

We take a serious view of the fact that the Kim Yong-sam group started the manoeuvres with the U.S. less (?than a) week after they, crying for "dialogue" and "improvement of inter-Korean relations," made an official announcement that the "Team Spirit" would not be staged this year. This fully reveals that they are a group of warmaniacs who want to plunge the nation into a nuclear holocaust, (?clearly) indifferent to a solution to the nuclear issue on the Korean Peninsula and the nation's peace and reunification.

The warmaniacs must promptly stop the reckless war gamble against the North of Korea. If the U.S. and South Korean warmongers ignite a war against the North, reminding one of a puppy feeling no fear of tiger, they will bring themselves to self-destruction.

Radio Decries U.S., South for Staging Exercise

SK1410142895 Pyongyang Korean Central Broadcasting Network in Korean 0754 GMT 13 Oct 95

[Unattributed talk: "The Reckless War Exercise Commotion To Kindle the Fire of War"]

[FBIS Translated Text] The U.S. imperialists and the South Korean puppets are staging the extremely provocative Foal Eagle-95 joint military exercise from today [13 October]. The exercise, which targets us, will reportedly continue until 17 November.

Announcing that this year's war exercise is the 30th of its kind, the South Korean puppets raved that it is aimed at gaining experience for the puppet Army and the U.S. forces in so-called field operations and at testing defense strategy in the rear, major command, and communications systems.

By mobilizing massive armed forces for a month, the U.S. imperialists and the South Korean puppets are again staging a war exercise. This is designed to aggravate the situation on the Korean Peninsula and to set fire to a new war at any cost, and clearly shows that the rascals' criminal intention remains unchanged.

As everyone knows, the U.S. imperialists and the South Korean puppets have madly staged war exercises against us every day.

On 4 October alone, the South Korean puppets mobilized more than 180 planes in the sky above Anmyon and Oeyon Islets on the West Sea of Korea and staged a war exercise of northward invasion. Formations of scores of fighters flying in the sky above Kapyong and Pochon carried out a strike exercise for aerial support to the ground units of the puppet army engaged in a large-scale offensive exercise of northward invasion. On the same day, an armored group of the puppet army advanced to the western sector of the front from various inner areas, including Cholsan-ri in Kanghwa County, Kyonggi Province, and threatened our side. The puppet army even perpetrated the armed provocation of taking firing postures with large-caliber machine guns aiming at a our side's post.

Prior to this, toward the end of September, the South Korean puppets mobilized heavy tanks and 105 mm and 90 mm artillery groups of the South Korean puppet Army in the front areas such as Kumpa-ri, Chongja-ri, and Yongsan-ri in Paju County; Oksan-ri in Yonchon County; and Sangsa-ri, Tongmak-ri, and Yulli-ri in Chorwon County, Kyonggi Province, and fired numerous shells toward areas adjacent to the DMZ of the Military Demarcation Line [MDL]. They also ran amok by firing bullets from large-caliber machine guns and automatic rifles.

Being timed to coincide with the South Korean puppets' frantic war exercises as well as military provocation commotions, the U.S. imperialists are running amok in surprise attack exercises and aerial espionage activities against us.

On 28 September, the U.S. imperialist warmongers held an exercise of a surprise air attack on major strategic targets in the northern half of the Republic by mobilizing carrier-borne assault planes belonging to the U.S. Pacific Command. On this day, a U-2 high-altitude strategic reconnaissance plane belonging to the U.S. imperialists made east-west shuttle flights in the sky above the MDL for photography and electronic reconnaissance on our side's heartland.

On 15 and 16 September, three E-3 early warning planes, flown into the sky over South Korea's Munsan, Tongduchon, and Chunchon from overseas bases, commanded the flying corps of the U.S. Air Forces and puppet air forces which were running madly about in an aerial war exercise. They were madly engaged in espionage on targets in our side's heartland.

On 20 September, 12 reconnaissance aircraft — including high- altitude strategic reconnaissance planes, tactical reconnaissance planes, and electronic warfare helicopters — were mobilized day and night in the sky over the MDL area and intensively carried out espionage against us.

In September the number of aerial espionage acts committed by the U.S. imperialists against the DPRK through the mobilization of various types of strategic and tactical reconnaissance planes from overseas bases and their bases in South Korea totalled more than 180.

This will further aggravate North-South confrontation and is a direct challenge to the entire fellow countrymen and the world's peace-loving people who aspire to the country's peace and peaceful reunification. This is also a premeditated and deliberate provocative act.

Now, 70 million countrymen, who have significantly celebrated the 50th anniversary of the liberation of the fatherland as the nation's common grand festival for reunification, are seething with reunification fever to reunify the country in the nineties by means of the great unity of the entire nation.

At such a time, the U.S. imperialists and the South Korean puppets have not only aggravated the tense situation by staging the Ulchi-Focus Lens war exercise, a repetition of the Team Spirit joint military exercise, but have also kicked up war preparations by bringing in massive war equipment and lethal weapons from overseas. In addition, they are staging the Foal Eagle-95 joint military exercise and leading the situation to the brink of war.

Peace guarantees and so forth advocated by the Kim Yong-sam puppets, who endlessly perpetrate war exercises and military provocations to harm their fellow countrymen along with the U.S. imperialists, are truly a lie. This also clearly proves that the rascals are warmongers.

At a time when our nation's aspiration for national reunification in the nineties is fully blooming, the criminal maneuvers of the U.S. imperialists and the South Korean puppets are going on the road of war and running against the people's aspirations. They are faced with strong denunciations by the entire fellow countrymen and the world people.

Those who are fond of fire are bound to die in the fire.

The military provocations and playing with fire will only bring about the result of expediting the rascals' destruction. The rascals should immediately stop the reckless war exercise commotions of northward invasion.

Correction to Joint Exercise Should Be Stopped

SK1610042895 Pyongyang KCNA in English 0808 GMT 15 Oct 95

[Corrected version of "Provokers Will Pay Dearly" — KCNA headline; originally filed as SK1510111395; explanatory notes describe differences from original FBIS version]

[FBIS Transcribed Text] Pyongyang, October 15 (KCNA) — The U.S. troops and the South Korean puppet army staged an adventurous joint military exercise "Fowl Eagle '95" in South Korea against the DPRK from October 13, according to a report.

Participating in the joint military exercise are over 30,000 U.S. troops from the U.S. mainland and stationed in South Korea, warships of the U.S. 7th fleet, and a large number of puppet army soldiers.

The joint military exercise goes against the spirit of the DPRK- U.S. framework agreement and it screws up the tension of the Korean Peninsula again. The U.S. is staging the joint military exercise against the DPRK with South Korea while holding dialogue and negotiations with the DPRK. This shows well that they attempt to create a favourable phase [clearing indistinct passage] by putting military pressure upon the DPRK.

Dialogue is incompatible with war exercise. There is nothing to get from military adventure and it will rather drive the situation to an unpredictable extreme.

The South Korean puppets who are taking advantage of the U.S. "policy of strength" blare that the aim of the joint military exercise is to establish "experience of field operations of the U.S. troops and the puppet army" and to estimate defence strategy. But it is a cunning trick to cover up their criminal attempt to aggravate the tension on the Korean Peninsula and ignite a war.

The United States and the Kim Yong-sam group will pay dearly if they persistently seek a way of confrontation and war despite the repeated warnings of the DPRK.

The reckless war exercise should be stopped at once.

Pomchonghangnyon Denounces Students' Detainment

SK1410050295 Pyongyang KCNA in English 0445 GMT 14 Oct 95

[FBIS Transcribed Text] Pyongyang, October 14 (KCNA) — The overseas headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) made public a statement on October 7 denouncing the South Korean authorities for detaining students Chong Min-chu and Yi Hye-chong by invoking the "National Security Law" for the reason that they had visited the northern half of Korea.

The two girl students were precious flowers representing one million young people fighting for reunification in the South. They visited the northern land as "birds of reunification" with the noble desire to adorn 1995 with reunification. They proved the homogeneity of the nation and instilled into the minds of the fellow countrymen a new hope and conviction of the reunification in the 90s. They also showed that meeting produces unity, which produces reunification, the statement said, and continued:

The South Korean authorities walked away the two flowers, punching and booting them under the very eyes of the compatriots. And they are scheming to keep them behind bars forever.

The overseas headquarters of Pomchonghangnyon bitterly denounces the South Korean authorities for barring safe return of Chong Min- chu and Yi Hye-chong, delegates of the South Korean Federation of General Student Councils (Hanchongnyon) under the South side headquarters of Pomchonghangnyon, with burning national resentment on behalf of all the overseas youth and students yearning for reunification.

The youth and students with blood of justice and patriotism will never pardon the unheard-of crimes of the anti-reunification forces.

We will bury them into the anti-reunification grave with our vanguard struggle, fight for the return of the two beloved delegates to the bosom of their dear parents, brothers and sisters and fellow students in the South and realize our meeting with them on the day of reunification.

South 'Hypocrisy' on Separated Families Viewed

SK1410110995 Pyongyang KCNA in English 1001 GMT 14 Oct 95

["Jargon About 'Humanitarianism' With Sword" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 14 (KCNA) — Na Ung-pae, minister of the South Korean puppet National Unification Board, said he urges the North to actively cooperate in the "question of separated families from the pure humanitarian point of view" as it is the "foremost national task".

NODONG SINMUN in a commentary today says:

Those who bar all the human and material exchange between the North and the South and block the meeting and reunion of the separated families and relatives prattled as if the question is not solved because of someone, like a thief crying "stop thief "

The South Korean puppets laid "question of separated families" at another's door. This is a hypocrisy to conceal their anti-national, anti-reunification color, mocking the fellow countrymen's desire for reunification with the humanitarian issue.

The South Korean authorities have refused the repatriation of unconverted long-term prisoners, the elementary humanitarian demand, and committed inhumane beastly suppression of Mrs. Pak Yong-kil, "grandmother of reunification", and delegates Chong Min-chu and Yi Hye-chong, "birds of hope for reunification", and other patriots. Where do they get the face to talk about "humanitarianism" and "settlement of the question of the separated families"?

Such shameless act of the puppets is a perfidy and mockery of the fellow countrymen who truly want the solution of the humanitarian question. The puppets have nothing to get from it.

South Group's 'Intensified Suppression' Viewed

SK1410111895 Pyongyang KCNA in English 1022 GMT 14 Oct 95

[FBIS Transcribed Text] Pyongyang, October 14 (KCNA) — The Central Committee of the Korean Educational and Cultural Workers' Union published a statement on October 13 denouncing the Kim Yong-sam group's intensified suppression of the people from all walks of life, youth and students and reunification envoys aspiring after independence, democracy and reunification in South Korea.

The Kim Yong-sam group, in league with the military fascist forces of the "Fifth and Sixth Republics", is driving South Korea to an unprecedented fascist "security-oriented rule" and trying to harshly punish patriots who studied an advanced idea or met with compatriots in the North by invoking the fascist "National Security Law" while mercilessly putting down the elementary demand of the youth and students and other people for democracy at the point of the bayonet.

The outrages of the Kim Yong-sam group, the statement said, are anti-reunification, anti-national crime to worsen the North-South relations and lay irrevocably grave obstacles in the way of peaceful reunification of the country.

The statement noted:

University professors, school teachers and men of culture in South Korea should continue to valiantly struggle to punish the Kwangju murderers in firm unity with other people and develop this struggle into a struggle to cancel the "National Security Law", the anti-reunification, anti-national evil law, and remove the "civilian" fascist clique.

And they should wage a more valiant struggle for the release of Pak Yong-kil, Chong Min-chu, Yi Hye-chong and other pro- reunification patriots who visited the northern half of the country and all the unreasonably arrested political prisoners and for the reunification through great national unity.

We take this opportunity of expressing the belief that educationists and men of culture of all the countries of the world will oppose and reject the Kim Yong-sam group, which defends the Kwangju murderers and takes the road of fascism, the road against reunification, and lift up voices of solidarity for the just struggle of the South Korean people.

South Koreans Demand 'Chief Culprits' Punishment

SK1410114095 Pyongyang KCNA in English 1027 GMT 14 Oct 95

[FBIS Transcribed Text] Pyongyang, October 14 (KCNA) — The demand for the punishment of chief culprits of the Kwangju massacre is ever growing in South Korea.

The Inchon District Representative Council of Trade Unions held a press conference on October 11 and demanded that the puppet authorities institute a special law to punish the Kwangju murderers.

It said that the prosecution's decision not to punish the murderers is an act against history fully denying the historic justness of the May 18 Kwangju people's resistance and, at the same time, negating the national spirit and the dignity of the people's revolution, and declared that it will organise a signature campaign for the enactment of a special law among all trade unionists in Inchon.

That day, the "National Federation of Press Trade Unions", the Journalist Association of South Korea and other press organisations in a press conference published in the joint name a 6,450-pressmen declaration on the situation demanding the punishment of the May 18 murderers.

The Suwon Area Bar Association decided to conduct a signature campaign urging the enactment of a special law among all the lawyers of the association.

'Military Provocations' Against North Decried

SK1410044895 Pyongyang KCNA in English 0440 GMT 14 Oct 95

["Continued Military Provocations and War Exercises Against North" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 14 (KCNA) — The South Korean puppets on October 12 introduced a 90 mm recoilless gun and 12.7 mm machine guns into the Demilitarized Zone (DMZ) in the central sector of the front and repeated taking firing posture against posts and civil policemen of the North side, according to military sources.

The South Korean puppets committed similar military provocations on several times in the first 8 days of October.

Armed bandits of the puppet army entrenched in the DMZ in the western sector of the front took firing postures with recoilless guns and automatic rifles against the North side for long hours on October 7.

20,000 armed bandits of the puppet army committed military provocations in the DMZ in the western, central and eastern sectors of the front mobilizing 1,700 military vehicles from October 1 to 12.

Meanwhile, the puppet air force fighters staged an aerial exercise for striking ground targets in the sky above Tongduchon, Pochon and Uijongbu on October 11. And, the U.S. imperialist warmaniacs and puppets carried out a joint aerial war exercise in the sky above Tokjok Islet, Oeyon Islet and Wonju Area on Oct. 12.

The U.S. imperialists staged long-distance surprise bombing exercises in the sky above Sangdong area on Oct. 10 and 11.

They are premeditated provocations committed by the U.S. imperialist warmaniacs and the South Korean puppets to screw up tension on the Korean peninsula.

Daily Denounces Japan on 'Comfort Women' Issue

SK1410045695 Pyongyang KCNA in English 0450 GMT 14 Oct 95

["NODONG SINMUN Denounces Japan's Move To Avoid Responsibility for 'Comfort Women for Army'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 14 (KCNA) — The chief executive of Japan said at the plenary session of the two houses a few days ago that the postwar settlements including the issue of the "comfort women for the army" have come to an end. Commenting on this, NODONG SINMUN today denounces it as a challenge to and mockery of the history and conscience.

The news analyst goes on:

The Japanese Government is trying to make former "comfort women" close their mouths by paying them some of pennies through the "civilian fund" and, at the same time, avoid the legal responsibility for the case of the "comfort women for the army" and escape from the duty of compensation.

The "comfort women" issue is an anti-ethical crime unprecedented in history and a violation of international law committed by old state of Japan.

Through the Japanese Government's intention not to correct such grave crimes, we find once again the wrong stand and attitude of the Japanese authorities toward the past crimes of Japanese imperialism and their immorality and shamelessness.

It is the Korean people who are the biggest victims to the criminal case of the "comfort women for the army". Japanese imperialism forced the nearly 200,000 Korean women to sexual slaves of the "imperial army" and mercilessly killed most of them. If the Japanese authorities have human conscience, reason and morality even a little, how could they say imprudently that the anti-ethical grave crimes have been "settled"?

History and human conscience will never pardon the shameless attitude of the Japanese authorities who are trying to conceal the crimes, far from admitting them, today when half a century has passed since the end of World War II.

Japanese Premier's Remarks Denounced in South

SK1410150395 Pyongyang KCNA in English 1459 GMT 14 Oct 95

[FBIS Transcribed Text] Pyongyang, October 14 (KCNA) — Members of an organisation supporting former "comfort women for the army" in South Korea held a meeting in front of the Japanese Embassy in Seoul on October 11 denouncing the remarks of the Japanese prime minister that Japan's annexation of the Korean Peninsula was the product of a legally valid treaty, according to a foreign press report from Seoul.

The participants in a declaration demanded that the Japanese prime minister cancel his remarks and make an immediate apology.

They said that "the Japanese Government must admit the war crimes of Japan and punish those responsible."

Chongnyon Meetings Vow To Uphold Decisions

SK1310114695 Pyongyang KCNA in English 1033 GMT 13 Oct 95

["Vow To Carry Out Decision of 17th Congress of Chongnyon" — KCNA headline]

[FBIS Transcribed Text] Tokyo, October 12 (KNS-KCNA) [dateline as received] — Regular meetings were held by the headquarters of the General Association of Korean Residents in Japan (Chongnyon) in different prefectures of Japan to carry through the decision of the 17th congress of Chongnyon.

Ho Chong-man, chief vice-chairman of the Chongnyon Central Standing Committee, made a speech at the 17th regular meeting, which was held by the Tokyo metropolitan headquarters of Chongnyon on September 23.

He said in his speech that the headquarters should successfully carry out the sacred mission and duty of Chongnyon for defending democratic and national rights and interests of Koreans in Japan and serving for the patriotic cause of chuche, true to the decision of the 17th congress of Chongnyon.

The new generations should firmly defend and exalt the feats performed by the first generation and the fifth and sixth generations should also be educated to inherit the tradition of loyalty and patriotism, he noted.

Chairman of the Chongnyon Tokyo metropolitan headquarters Pae Pyong-tu, who is also vice-chairman of the Chongnyon Central Standing Committee, delivered a report and delegates made speeches at the meeting.

The reporter and speakers called for firmly uniting Koreans in Japan from all walks of life including the new generations into the patriotic forces, effectively contributing to reunification of the country and the prosperity and development of the socialist homeland, establishing a better system for applying the idea and leadership of respected Marshal Kim Chong-il in organisations of Chongnyon and more firmly building up the ranks of officials, true to his historic letter.

The Osaka, Fukuoka and other prefectural headquarters of Chongnyon respectively held regular meetings.

Yang Hyong-sop Eulogizes Dead Chongnyon Official

SK1310213595 Pyongyang KCNA in English 1516 GMT 13 Oct 95

[FBIS Transcribed Text] Pyongyang, October 13 (KCNA) — The remains of Yi Chin-kyu, first vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), were buried at the Patriotic Martyrs' Cemetery in Pyongyang's suburb of Sinmiri under the care of the great leader Comrade Kim Chong-il.

Yi Chin-kyu, who was also deputy to the Supreme People's Assembly [SPA] of the DPRK, died of an illness on September 21 at the age of 77.

The remains were buried today with a due ceremony.

In a memorial address, Yang Hyong-sop, alternate Politburo member of the C.C. [Central Committee], the Workers' Party of Korea and chairman of the Supreme People's Assembly, said the life of Yi Chin-kyu was full of absolute worship for and invariable loyalty to the great leader Comrade Kim Il-song and the great leader Comrade Kim Chong-il. "Yi Chin-kyu invariably followed the patriotic road for the country and the nation, pulling through manifold difficulties and trials with a chuche faith in the revolution," Yang said.

The country and the people will always remember Yi Chin-kyu, who is immortal under the care of General Kim Chong-il, the SPA chairman said.

Amid the playing of music, a wreath from Comrade Kim Chong-il was laid before the grave.

Wreaths were also laid in the name of the WPK Central Committee, the DPRK Central People's Committee, the DPRK Administration Council, other DPRK political parties and public organisations and organs concerned with overseas Koreans, the congratulatory group, delegations and home-visiting groups of Chongnyon staying in the socialist homeland.

In an address at the ceremony, Ho Chong-man, chief vice-chairman of the Chongnyon Central Standing Committee and head of the congratulatory group of Koreans in Japan for the 50th anniversary of the WPK, said that although Yi Chin-kyu passed away, he would be immortal under the warm care of respected General Kim Chong-il and his noble exploits would shine long in the history of the movement of Koreans in Japan.

Yi Son-hye spoke on behalf of the bereaved family.

She said the members of the bereaved family would remain loyal to General Kim Chong-il, remembering the general's deep favors and the wishes of Yi Chin-kyu that they should invariably uphold the general and remain loyal and devoted to him.

Present on the occasion were secretary of the WPK Central Committee Kim Yong-sun, Vice-Premier of the Administration Council Chang Chol, officials concerned and the bereaved family of the deceased.

Foreign Ministry Delegation Departs for PRC

SK1610044795 Pyongyang KCNA in English
0444 GMT 16 Oct 95

[FBIS Transcribed Text] Pyongyang, October 16 (KCNA) — A delegation of the Foreign Ministry of the Democratic People's Republic of Korea headed by Vice Foreign Minister Choe U-chin left here on October 14 by plane for a visit to China.

Party Leader Presents Gift for Kim Chong-il

SK1410043895 Pyongyang KCNA in English
0422 GMT 14 Oct 95

[FBIS Transcribed Text] Pyongyang, October 14 (KCNA) — The great leader Comrade Kim Chong-il received a gift from General Secretary of the Egyptian National Democratic Party [NDP] Yusuf Amin Wali on the occasion of the 50th anniversary of the Workers' Party of Korea.

Yusuf Amin Wali handed the gift to the Korean ambassador to Egypt on October 9.

Kim Chong-il Attends Opening of Highway

SK1410012095 Pyongyang Korean Central Broadcasting Network in Korean
2100 GMT 13 Oct 95

[FBIS Translated Text] A ceremony to open the Pyongyang-Hyangsan tourist highway was grandly held in the presence of the great leader [yongdoja] Comrade Kim Chong-il.

A ceremony to open the Pyongyang-Hyangsan tourist highway was grandly held on the spot on 12 October in the presence of Comrade Kim Chong-il, the great leader [yongdoja] of our party and people who is also chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army [KPA].

The highway was fantastically built and looks magnificent, stretching for 300-ri from Pyongyang, the revolutionary capital, to Hyangsan where Mt. Myohyang, one of the five famous mountains of our country, is located. This tourist highway is another monumental creation of the era of the Workers Party of Korea [WPK] and a proud gift of labor presented by the one-is-a-match-for-one-hundred soldiers on the 50th anniversary of the founding of our party.

The tourist highway, which was built with our designs, our technology, and our strength, thoroughly guarantees traffic safety. The scientific and technical requirements of its construction and operation are guaranteed at high levels. Due to various bridge forms such as overpasses—rainbow arch bridges that were built to suit topographical conditions and the natural landscape—the character of the highway is all the more emphasized.

Thanks to the construction of the Pyongyang-Hyangsan tourist highway, the traffic safety of our people and tourists is ensured; the country's road network has been further completed; and the natural scenery of the region has been more beautifully changed.

The one-is-a-match-for-one-hundred soldiers who sallied forth— bearing in mind the iron-like faith that if the respected and beloved supreme comrade commander makes a decision, we will fulfill it—carried out their work in a major way, and thus, by carrying out such enormous construction in a short time—including roadbed construction, the spreading of sand and gravel, the spreading of concrete, and road paving—arrived at opening day of the tourist highway ahead of schedule.

The entrance to the tourist highway, where the ceremony for its opening was scheduled to take place, and the surrounding vicinity overflowed with officers and men of the KPA and Korean People's Security Forces who, having built a new monumental creation in the prosperous fatherland, gathered to embrace with the same dignity as if they were giving a report of loyalty to the respected and beloved supreme comrade commander. Each of their faces was filled with boundless thanks and emotions of admiration toward the respected and beloved General Kim Chong-il who put forth the soldiers as defenders of the fatherland and creators of the people's happiness; who lead them along the road of brilliant feats; and who provided today's glory and happiness.

A portrait of the great leader Comrade Kim Il-song was placed in front of the site of the opening ceremony. Slogans reading "Long live the great leader Comrade Kim Il-song!" and "Long live the glorious Workers Party of Korea!" were also placed at the ceremony site. More slogans reading "The great leader Comrade Kim Il-song is eternally with us," "Let us all the more thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary ideology," "Let us loyally uphold the respected and beloved supreme comrade commander's leadership by upholding the great leader's will when he was alive," "Let us single-heartedly unite around the respected and beloved Supreme Commander Comrade Kim Chong-il," and "Let us become guns and bombs defending the respected and beloved Supreme Commander Comrade Kim Chong-il with the do-or-die spirit," as well as posters urging the one-is-a-match-for-one-hundred soldiers to new feats, were also in place. Party flags and red flags fluttered in front of the site of the opening ceremony.

Slogans reading "Let us all the more elucidate our own style of socialism with the might of single-hearted unity" and "The fatherland will not forget its soldiers" hung on balloons that fluttered high in the sky.

Amid the playing of the welcome music, Comrade Kim Chong-il, the great leader [yongdoja] of our party and our people who is the chairman of the DPRK National Defense Commission and supreme commander of the KPA, arrived at the place of the opening ceremony. At that moment, a storm of cheers of hurrah burst forth shaking the rivers and mountains.

Present at the opening ceremony were KPA Marshal Comrade Choe Kwang, member of the Political Bureau of the WPK Central Committee and minister of the People's Armed Forces; Comrades Kye Ung-tae and Chon Pyong-ho, members of the Political Bureau of the WPK Central Committee and secretaries of the party Central Committee; Comrade So Yun-sok, member of the Political Bureau of the WPK Central Committee, responsible secretary of the South Pyongan Provincial Party Committee, and chairman of the South Pyongan Provincial People's Committee; Comrade Choe Tae-pok, alternate member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Yon Hyong-muk, alternate member of the Political Bureau of the WPK Central Committee, responsible secretary of the Chagang Provincial Party Committee, and chairman of the Chagang Provincial People's Committee; KPA Marshal Comrade Yi Ul-sol; KPA Vice Marshal Comrade Kim Kwang-chin, first vice-minister of the People's Armed Forces; Vice Marshal Comrade Kim Yong-chun, chief of the General Staff of the KPA; Vice Marshal Comrade Cho Myong-nok, director of the General Political Department of the KPA; KPA Vice Marshals Comrades Paek Hak-nim and Yi Ha-il; Comrades Kim Ki-nam, Kim Kuk-tae, and Kim Yong-sun, secretaries of the WPK Central Committee; KPA Generals Kim Myong-kuk and Pak Ki-so; directors of party Central Committee; responsible secretaries of each provinces; commanders of services and branches of the KPA; army delegates to the celebrations of the 50th anniversary of the WPK founding; and general grade officers of the KPA and the Korean People's Security Forces. Ho Chong-man, responsible vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan, was also on hand.

Comrade Kim Chong-il waved to the cheering soldiers and cut a red cloth hanging across the broad road to declare the opening of the Pyongyang-Hyangsan tourist highway.

Soldiers who elucidated the days of construction with labor feats for this glorious moment, shouted cheers of hurrah again and again looking up to the respected and beloved supreme comrade commander overflowing with emotion and happiness.

Along with the leading officials of the party and the army, Comrade Kim Chong-il looked around the tourist highway. When he arrived at the highway's important sections and spots, Comrade Kim Chong-il looked over the highway's structures and facilities and expressed great satisfaction over the fact that the highway has been built well in a modern way wonderfully to suit to natural landscape, and highly assessed the feats of the soldiers who took part in the construction of the tourist highway.

The soldiers who took part in the opening ceremony of the tourist highway at the presence of the great commander whom they have always admired deep in their hearts and yearned for, were overflowing with endless delight and filled with revolutionary enthusiasm to sacrifice their youth and lives for the respected and beloved supreme comrade commander and to continue to demonstrate the one-a- match-for-100 bravery in defending the fatherland and socialist construction.

Kim Chong-il Sends Messages to Foreign Leaders

SK1410055195 Pyongyang KCNA in English
0435 GMT 14 Oct 95

[FBIS Transcribed Text] Pyongyang, October 14 (KCNA) — The great leader Comrade Kim Chong-il sent messages to party and state leaders of different countries in reply to their congratulatory messages sent to him on the occasion of the 47th founding anniversary of the Democratic People's Republic of Korea.

The replies were sent to Jiang Zemin, general secretary of the Central Committee [C.C.] the Communist Party of China, president of the People's Republic of China and chairman of the Central Military Commision of the PRC; Fidel Castro Ruz, first secretary of the C.C., the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of Cuba; Boris Nikolayevich Yeltsin, president of the Federation of Russia; King Norodom Sihanouk, First Prime Minister and Chairman of the Funcinpec Party Norodom Ranariddh and Second Prime Minister Hun Sen of Cambodia; Do Muoi, general secretary of the C.C., the Communist Party of Vietnam, and Le Duc Anh, president of the Socialist Republic of Vietnam; King of Nepal Birendra Bir Bikram Shah Dev; Khamtai Siphandon, chairman of the C.C., the Lao People's Revolutionary Party and prime minister, and Nouhak Phoumsavan, president, of the Lao People's Democratic Republic; Lebanese President Elias Ilyas al-Hirawi, Maldivian

President Maumoon Abdul Gayoom; Mongolian President Punsalmaagiyn Ochirbat, Syrian President Hafiz al-Asad; President of the Democratic Socialist Republic of Sri Lanka Chandrika Bandaranaike Kumaratunga; Amir of Kuwait Jabir al-Ahmad al-Jabir al- Sabah; King of Thailand Phumiphon Adunyadet; Yasir 'Arafat, president of the state, chairman of the executive committee of the Palestine Liberation Organization and head of the National Authority of Palestine; Kazakh President Nursultan Abishevich Nazarbayev; Kyrgyz President Askar Akayev; Cypriot President Glavkos Kliridhis, Tajik President Emomali Rakhmonov; Armenian President Levon Ter- Petrosyan; Azerbaijan President Geydar Aliyev; Sultan of Oman Qabus Bin-Sa'id al Sa'id; acting king of the Hasemite Kingdom of Jordan Bin Talal Husayn; Uzbek President Islam Abuduganiyevich Karimov; Iranian President 'Ali Akbar Hashemi-Rafsanjani; Indian President Shankar Dayal Sharma; Indonesian President Suharto; Yemeni President 'Ali 'Abdallah Salih; Ghanaian President Jerry John Rawlings; Guinean President Lansana Conte; Namibian President Sam Nujoma; Madagascan President Zafy Albert; Moroccan King Hassan II; President Cassam Uteem and Prime Minister Anerood Jugnauth of mauritius; Mauritanian President Maaouya Ould Sid Ahmed Taya; Saharan President Mohamed Abdelaziz [name as received]; president of Sao Tome and Principe Miguel Trovoada; Sudanese President 'Umar Hasan Ahmand al- Bashir; Senegalese President Abdou Diouf; Seychellois President France Albert Rene; president, head of state and Founder-Chairman of the Democratic Party of Equatorial Guinea Teodoro Obiang Nguema Mbasogo; Prime Minister of Djibouti Barkat Gourad Hamadou; Kenyan President Daniel T. Arap Moi; Tanzanian President Ali Hassan Mwinyi; President of Cote d'Ivoire Henri Konan Bedie; Togolese President Gnassingbe Eyadema; Algerian President Liamine Zeroual; Egyptian President Muhammad Husni Mubarak; Norwegian King Harald V; Queen of Denmark Margrethe II; Romanian President Ion Iliescu; Macedonian President Kiro Gligorov; Maltese President Ugo Mifsud Bonnici; Moldovan President Mircea Ion Snegur; Bulgarian President Zhelyu Zhelev; Swiss President Kaspar Villiger; Slovenian President Milan Kucan; Slovak President Michal Kovac; Czech President Vaclav Havel; Portuguese President Mario Soares; Polish President Lech Walesa; Albanian President Sali Berisha; Ukrainian President Leonid Danilovich Kuchma; Yugoslavian President Zoran Lilic; Guyanese President Cheddi Jagan; Prime Minister of Grenada Keith Mitchell; President of Nicaragua Violeta Barrios de Chamorro; Mexican President Ernesto Zedillo Ponce de Leon; Barbadian Prime Minister Owen Arthur; Venezuelan President Rafael Caldera Rodriguez; Belizean Prime Minister Manuel Esquivel; Jamaican Prime Minister P. J. Patterson; President of Trinidad and Tobago Noor Hassanali; and Peruvian President Alberto Fujimori Fujimori.

The great leader Comrade Kim Chong-il also sent a reply message to secretary general of the United States Butrus Butrus-Ghali.

Comrade Kim Chong-il in his replies expressed deep thanks for their warm congratulations and wishes on the occasion of the 47th anniversary of the DPRK.

He evinced the belief that the friendly relations between the DPRK and their countries, and between the Workers' Party of Korea and their parties will further develop in strength.

Daily Praises Kim Il-song's Reunification Efforts

*SK1610051895 Pyongyang KCNA in English
0511 GMT 16 Oct 95*

["Exploits of Comrade Kim Il-song in Reunification Movement" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 16 (KCNA) — The great leader Comrade Kim Il-song performed undying exploits in the history of the national reunification movement by tirelessly thinking and working for national reunification from the first days of the division of the country and the nation, setting it as the supreme national task to reunify the country, says NODONG SINMUN in a signed article October 15.

The article quotes the great leader Comrade Kim Chong-il as saying:

"The great leader Comrade Kim Il-song, whom our people acclaimed for the first time in the history spanning 5,000 years, was an outstanding thinker and theoretician, a prominent statesman, an ever-victorious, iron-willed brilliant commander, the founder of socialist Korea and the tender-hearted father of our nation."

The author of the article further says:

The undying exploit performed by Comrade Kim Il-song in our nation's history of reunification movement is, above all, that he formulated the most aboveboard and reasonable principles and ways for national reunification, an embodiment of the immortal chuche idea, and brightly indicated the road to the reunification movement.

He expounded the historic root cause of the origin of the reunification question in our country long ago. And, on the basis of the scientific penetration into the essence and character of the reunification question and its prospect, he set forth the basic policy of achieving the reunification independently and peacefully in a democratic way without any outside interference and published the three principles of national reunification — independence, peaceful reunification and great national unity — by applying it in accordance with the new historic condition in which dialogue and negotiation between the North and the South was under way.

And, basing himself on these three principles, he published the great principle of the way of national reunification for reunifying the country by means of confederacy based on one nation, one state, two systems and two governments and the proposal for founding the Democratic Confederal Republic of Koryo, its embodiment. By doing so, he indicated the most realistic and reasonable way for national reunification.

Another undying exploit of Comrade Kim Il-song in our nation's history of reunification movement is that he built up a powerful driving force of the national reunification.

Comrade Kim Il-song, who regarded it as the motto and maxim of his life to realise the unity of the whole nation so as to reunify the country which was divided by outside forces, built up a powerful driving force of national reunification by closely uniting all the fellow countrymen under the banner of national reunification with his benevolent politics of deep love, magnanimous politics.

Another undying exploit of Comrade Kim Il-song in our nation's history of reunification movement is that he set forth fair and realistic policies and proposals in each period and at each stage of the development of the situation to tide over the deadlocks in the way of the reunification movement and open up a favourable phase for the change in the situation.

The most outstanding exploit of Comrade Kim Il-song in our nation's history of reunification movement is that he directed deep attention to the question of leadership inheritance and successfully solved it in conformity with the desire and demands of the times and people.

Standing in the van of our nation's struggle for national reunification is respected Comrade Kim Chong-il, who is deeply respected and trusted by all the fellow countrymen as the great leader of the nation and as the lodestar of national reunification for his undying exploits in victoriously leading the reunification movement of our nation for more than 30 years, fully personifying all the idea, leadership trait and noble virtues of Comrade Kim Il- song.

This great exploit, which will shine forever in the history of the country, is the most valuable heritage handed by Comrade Kim Il- song to our fellow countrymen, an eternal treasure and sure guarantee for national reunification and development.

Glorifying WPK as Kim Il-song Party Stressed

SK0610140395 Pyongyang Korean Central Broadcasting Network in Korean 0110 GMT 6 Oct 95

[NODONG SINMUN 6 October editorial: "A Militant Banner That Makes it Possible To Eternally Glorify Our Party as the Great Leader Comrade Kim Il-song's Party"]

[FBIS Translated Text] With the 50th anniversary of the party founding right around the corner, the whole country is wrapped up in a heightened political atmosphere. On this occasion, the great leader [yongdoja] Comrade Kim Chong-il published an immortal classical work, "The Workers Party of Korea [WPK] Is the Great Leader Comrade Kim Il-song's Party."

Due to the truthfulness, justness, and originality of the ideology and theory contained in the work, it unyieldingly won the hearts of our people as soon as it was announced. All of our party members and workers who have encountered the work are overflowing with the firm determination to complete the chuche revolutionary cause to the end in accordance with the party's leadership which is highly upholding the great leader Comrade Kim Chong-il at the head.

The basic spirit that permeates the work published by the great leader Comrade Kim Chong-il is to strengthen and develop our party into an eternally glorious Comrade Kim Il-song's party and complete to the end the chuche revolutionary cause which was pioneered in the thick forests of Mt. Paektu, by adhering to and elucidating the great leader's [suryong] ideology and achievements generation after generation.

The great leader [yongdoja] Comrade Kim Chong-il has pointed out: Our party will faithfully succeed and develop the great leader Comrade Kim Il-song's ideology and achievements, and will complete Comrade Kim Il-song's cause to the end generation after generation.

The great leader Comrade Kim Il-song's ideology and achievements are eternal assets and the lifeline of our party and revolution. The work is overflowing with the great leader Comrade Kim Chong-il's unshakable determination and iron-like will to resolutely fight only according to the road of chuche by defending Comrade Kim Il-song's lifetime teaching to the end, however far and difficult the road of our revolution the great leader [suryong] pioneered and lead may be. Due to this, the work is vigorously encouraging to new victory our people who are vigorously advancing according to the party's leadership by infinitely upholding the great

Comrade Kim Il-song as an eternal leader and sun of chuche.

The great Comrade Kim Chong-il's work, "The WPK Is the Great Leader Comrade Kim Il-song's Party," is a monumental work published reflecting the developing demand of our party and revolution which has entered into a new historic turning point. For the 50 years since our party was founded and for about 70 years from the time it started to take root, our party walked the proud road of overcoming manifold difficulties and trials.

Our party, which achieved great victories and century-old changes in carrying out the popular masses' independent cause and socialist cause over a long period of time under the leadership of the respected and beloved leader Comrade Kim Il-song, today is standing at the great turning point of its development.

The whole party and all the people are all the more thoroughly united like bed-rock around our party, that are endlessly loyal to the great leader's cause, and the overall march is being vigorously held in all sectors of the revolution and construction to implement the fatherly leader's lifetime teaching. Amid this historic environment, the work is a militant banner that clearly elucidated the struggle goal which our party and people must advance by highly upholding it.

The work shows that no changes today, tomorrow, and forever are or will be encountered in the determination of our party and people to advance the revolution and construction according to the great leader's will as when he was alive. Due to this, the work is endlessly stirring up the hearts of our people to eternally highly uphold the great leader, and is becoming an encouraging banner calling them toward new struggle and feats.

The great leader Comrade Kim Chong-il's classical work, "The WPK Is the Great Leader Comrade Kim Il-song's Party," has great theoretical and practical significance in brilliantly succeeding, developing, and completing the cause of our party's construction and the cause of socialism of our own style to the end.

Above all, the work is a valuable document that proudly summed up the glorious history our party has embarked upon, as well as the immortal achievement gained in that course under the leadership of the great leader Comrade Kim Il-song. Our party's history is the same history of the great leader Comrade Kim Il-song's revolutionary activity.

In a protracted period of leading the revolution and construction at the forefront, the great leader always sought a key of all victories in strengthening the party, making maximum efforts on its development.

Thanks to the wise leadership and energetic activity of the great leader, our party was able to be timely founded based on the strong organizational and ideological foundation and brilliant revolutionary tradition. Also, since the first day the party was founded, our party has been strengthened and developed into a seasoned and refined party, while outstandingly executing its mission as the political staff that leads the revolution and construction.

Today, our party is taking pride in being the chuche-style revolutionary party that can be led by the chuche idea, the most scientific leading idea of our times; in being the invincible and combatant party that has a strong organizational nature and discipline based on the firm monolithic system; and in being the most consolidated and promising party that can inherit the party's cause generation after generation, deeply taking root among the broad masses.

The greatest achievement of the respected and beloved leader embarked upon the road of revolution at an earlier date and pioneered the new road to build the revolutionary party in the independent era while going through all kinds of trials and difficulties. Also, he built the invincible party that can ever exist in history. This is the greatest achievement gained by the respected and beloved leader.

The work is the proud record of the glorious history of our party which is being endlessly glorified as a result of the fatherly leader's great and esteemed name and achievement. Fully elucidated in the work is how our party was founded and how perfectly it has preserved its appearance as the invincible party.

Therefore, approximately 70 years after our party took a historic root among the people, as well as the half-century history since our party was founded have become the most brilliant years ever. Our people have come to cherish deep in their hearts the pride and happiness of building the great party under the respected and beloved leader.

The work is also the great series of documents of the party building in our times that make it possible to build the working class party into the strong party that can lead to victory the people's cause for independence. For the working class party to fully fulfill its mission as the leadership-oriented political organization that responsibly lead the popular masses' destiny, it should solve all kinds of theoretical and practical problems which are difficult and complicated.

The work fully includes the valuable guidelines for building the revolutionary party demanded in our times, ranging from the problem of thoroughly embodying the chuche leadership principle and leadership method in the revolution and construction to the problems of strongly building chuche and firmly adhering to the independent line; of resolutely maintaining the revolutionary principle; and of consistently implementing the revolutionary line and policy.

The justice and vitality of the ideology and theory — which have been elucidated in the work — have been fully proven in building our party under the leadership of the great leader. Therefore, the ideology and theory have an absolute truth and universal significance.

As a result of the publication of the work, an extraordinary way has been elucidated to build the strong party, which has trusted in the popular masses and fought on with them; the dignified and powerful party that can never falter against the imperialists' political and diplomatic pressure, as well as their plots to ideologically and culturally break up the masses, including the economic blockade and military threat; and the revolutionary party that has a strong revolutionary principle, as well as that has firmly maintained the consistency in carrying out its line and policy.

The work is also a programmatic guideline that has elucidated a clear road which makes it possible to strengthen and develop our party into the great leader Comrade Kim Il-song's party eternally. The eternal vitality of the working class' party lies in firmly defending the (?character) as the founder's party, the leader's party.

The party that deviates from the leader's ideology and line and the party that loses its feature as the leader's party as the time goes by is no longer the working class party. Such a party cannot assume responsibility for the destiny of the popular masses nor can it correctly perform the mission as the guide of the revolution.

Today, our party has been thoroughly armed with the feature as the great leader Comrade Kim Il-song's party. This is the greatest victory achieved in our party building.

We should constantly consolidate and develop this precious success, and herein lies the destiny and future of our party and revolution.

In his work, the great leader [yongdoja] Comrade Kim Chong-il has indicated that all works in the revolution and construction should be carried out as planned and intended by the great leader Comrade Kim Il-song and according to the model that he has personally showed and that all things should be carried out according to Comrade Kim Il-song's style. This means that he has provided a programmatic guideline that makes it possible to strengthen and develop our party into the great leader Comrade Kim Il-song's party eternally and to brilliantly inherit and consummate the chuche revolutionary cause.

In this way, our party and people have come to have a mighty ideological and theoretical weapon that makes it possible to uphold forever the respected and beloved leader Comrade Kim Il-song as the eternal leader and as the sun of chuche and to consummate the cause of building the chuche-oriented party and the cause of socialism of our own style to the end.

The immortal classical work, "The WPK Is the Great Leader Comrade Kim Il-song's Party," is a noble fruition of the extraordinary ideological and theoretical activities and the practical activities of respected and beloved Comrade Kim Chong-il who is brilliantly inheriting and consummating the great leader's [suryong] revolutionary cause with most lofty morality and sense of obligation.

Respected and beloved Comrade Kim Chong-il, who is personifying loyalty to the great leader at the highest plane, has devoted all his energy to constantly strengthen and develop our party into Comrade Kim Il-song's party since the first period of his leadership in the revolution and construction.

Apart from the leadership of the great leader, Comrade Kim Chong- il, who has presented the program of modeling the entire party after the chuche idea and is wisely leading the struggle for its embodiment, we cannot speak of the fact that our party has the feature as the party of chuche type as we witness today and is outstandingly performing the mission as the guide of the chuche revolutionary cause.

Respected and beloved Comrade Kim Chong-il's loyalty and filial piety toward the great leader Comrade Kim Il-song has been displayed higher since the fatherly leader passed away. Respected and beloved Comrade Kim Chong-il presented the slogans "The great leader Comrade Kim Il-song is with us forever," and "Let us further thoroughly arm ourselves with the revolutionary ideology of the great leader Comrade Kim Il-song," so that our people can admire the great leader more, and renovate the Kumsusan District as the supreme sacred place of chuche to uphold the fatherly leader in eternal appearance. This plainly proves his unrivaled lofty faithfulness.

The great leader Comrade Kim Chong-il's latest work is an immortal work embodying his unflinching determination and will to uphold the fatherly leader better than we did when he was alive, to follow his lifetime teachings, and to advance and complete to the end our party's cause—the socialist cause.

Through the work, the great leader [yongdoja] Comrade Kim Chong-il again showed us a lofty model teaching us what position should the leader [yongdoja] of the revolution assume to invariably uphold the leader [suryong], the founder of the party. As long as we have the great leader [yongdoja] Comrade Kim Chong-il, the lofty legacy of the revolution handed over by the fatherly leader will be defended and glorified forever.

Today, our party and people face a weighty and significant task of revolution. Defying all trials and difficulties, we should fulfill the will of the great leader Comrade Kim Il-song and reunify the divided fatherland at any cost, and complete to the end the chuche revolutionary cause pioneered in the deep forests of Mt. Paektu. To this end, we should ceaselessly strengthen and develop our party as the glorious party of Comrade Kim Il-song forever.

In order to strengthen and develop our party as the party of Comrade Kim Il-song, we should resolutely defend, adhere to, and thoroughly implement Comrade Kim Il-song's revolutionary ideology, the chuche idea. We should defend the unity and cohesion of the party centered by respected and beloved Comrade Kim Chong-il like the pupil of the eye and further develop unity and cohesion.

We should comprehend and sincerely study every word in the text of the work, and deeply grasp the essence of the work and all of its ideology and theory. In studying the work, we should basically set our goal in learning the greatness of respected and beloved leader's achievement he made during the days he pioneered and led the cause of building a chuche-based party, as well as the wise features of the leadership of great Comrade Kim Chong-il, who resolutely defends, adheres to, and glorifies the leader's achievement for thousands of years.

Upholding the ideology and leadership of respected and beloved Comrade Kim Chong-il is a decisive guarantee for strengthening and developing our party forever as the party of great Comrade Kim Il- song, and for completing the chuche revolutionary cause to the end. All party members and working people should bear in mind that the ultimate victory of the Korean revolution and boundless prosperity of the fatherland depend on upholding the leadership of the great leader Comrade Kim Chong-il, and should resolutely defend the respected and beloved general with invariable faith and loyalty politically and ideologically.

We should defend like the pupil of the eye the single-hearted unity in which all the party, all the people, and all the Army are firmly united in one heart and one will around the great leader Comrade Kim Chong-il. We should not allow the smallest element that conflicts with the party's ideology to penetrate our society. It is a great honor and happiness for our people to receive great Comrade Kim Chong-il's classical work on the occasion of the 50th founding anniversary of the WPK, which is the most significant revolutionary festival in the history of our party and fatherland.

All party members and working people should bear deep in their hearts the great honor and happiness of following the leadership of a revolutionary party that is endlessly faithful to the ideology and achievement of the great leader Comrade Kim Il-song, and should more vigorously accelerate the general march to make our country and our fatherland more prosperous.

'New International Economic Order' Urged

SK1610050595 Pyongyang KCNA in English 0459 GMT 16 Oct 95

["New International Economic Order Must Be Established" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 16 (KCNA) — To establish a new equitable international economic order at present is an important task of the developing countries including the non-aligned nations, says NODONG SINMUN in a signed article October 15.

The author of the article says:

The imperialists are trampling upon the demands of the peoples of non-aligned and other developing countries for independence in reliance upon the old international economic order. Furthermore, they are scheming to realise their political domination over them by dint of the old economic order.

This old order is an order for exploiting and plundering non-aligned and other developing countries.

Not a small number of developing countries have one-sided and deformed economies relying on the production of one or two primary goods and their exports. This is a result of the imperialist colonial rule over them. By using this for their purpose, the imperialists and the Western countries have taken a predatory policy based on the old international economic order; they fix the price of primary goods very cheaply and, on the contrary, they fix the price of their industrial goods very dearly.

The developing countries are also plundered under the inequitable international monetary system which is under the domination of the imperialists.

The gap between the rich and the poor is getting wider worldwide as a result of the old international economic order.

In order to establish a new international economic order, it is important, above all, to expand and develop South-South cooperation among the non-aligned and other developing countries on the principle of collective self-reliance. What is necessary for the development of South-South cooperation is to strictly adhere to the principles of collective self-reliance and complete equality and mutual accommodation while maintaining independence. All the non- aligned and developing countries should actively strive to strengthen mutual political support with the common viewpoint and standpoint toward South-South cooperation.

Close unity and joint action are also necessary for the non-aligned and other developing countries to establish a new international economic order.

They should also enhance their negotiating power with the West countries.

Daily Stresses Role of Fighters of Leader

SK1310053695 Pyongyang Korean Central Broadcasting Network in Korean 1128 GMT 8 Oct 95

[NODONG SINMUN 8 October political essay: "Fighters of the Leader Suryong"]

[FBIS Translated Text] History creates experiences and lessons and (?pursues) truth. They, the great victors and those who have gained experiences, have the pride and faith of talking about that truth. Today, we are welcoming the 50th anniversary of the party founding, embraced with out of the common pride and faith. Glory to 50th anniversary of the Workers Party of Korea [WPK]!

The gray-haired fighters who devoted their lives for the leader's [suryong] cause by plowing through the rigorous trials of history; the old party members who walked together in the 50 years history of our party; and the new generations who pledged to join the party just yesterday, are welcoming the 50th anniversary of the party founding with great emotion and a felicitous mind.

What is our peerless glory and delight welcoming this day? This is not only the honor of our party having been strengthened and developed into the most dignified party as well as the happiness of having established a strong chuche socialist country on this land under the party's banner.

Today, the world's revolutionary people and communists who have come forth in the socialist revival movement, are recollecting the 20th century which experienced many events and changes in the fringes of history with the 21st century right around the corner. In particular, they are recollecting the changes that took place during the past 50 years, after the end of World War II, and are discovering what the fate of the revolution is and what the revolution's fundamental life is, as precious experiences and as grave lessons.

How is revolution advanced and completed? What is the revolutionary fighter's greatest awareness and supreme honor, and what is the basis determining the victory or defeat of the revolution? As the great victors and people who have gained experiences welcoming the 50th anniversary of the party founding as a grand festival of the victors, we are recollecting the victory of the Korean revolution and the world's complicated changes, and are talking about the supreme honor and supreme truth.

The great leader [yongdoja] Comrade Kim Chong-il has pointed out: Highly upholding the great leader Comrade Kim Il-song is the most lofty duty of the revolutionary fighters who are endlessly loyal to the leader [suryong], and here, where they are highly upholding the leader, lies our fatherland's endless honor and our people's endless happiness.

Just like a rapid stream running to the ocean, the revolution is not advanced by itself. The revolutionary cause, pioneered and obtained by blood, is not adhered to and completed by itself. The revolution is adhered to, advanced, and completed according to the leader's [suryong] wise leadership and the struggle by the revolutionary fighters who are endlessly loyal to him.

Our endless honor and pride of welcoming the 50th anniversary of the party founding — this is the happiness and pride of having upheld the great leader Comrade Kim Il-song and the great leader [yongdoja] Comrade Kim Chong-il with unchangeable single-minded loyalty and filial piety during the days of honor or the days of trials, to victory.

From early on, an old fighter who loyally upheld two great leaders [tubunui widaehan suryong] during his life from the days he set foot in the anti-Japanese armed ranks, talks about today's happiness of welcoming the 50th anniversary of the party founding as follows: I am a fighter of the leader [suryong] before a son. My emotion of welcoming the 50th anniversary of the party founding is, in a nutshell, that I have lived and struggled as an unchangeable fighter of the party and fighter of the leader [suryong].

The honor of having lived and struggled as the unchangeable fighter of the party and fighter of the leader [suryong] — this is not just one person's but all of our people's most lofty ideological sentiment. The honor of a revolutionary is not a high position or reputation.

The honor of a revolutionary is the honor of living and struggling as a fighter of the party and leader [suryong], and is a fair and square honor before the party, leader [suryong], fatherland, and people, with the unchangeable loyalty.

A revolutionary is a fighter of the leader [suryong]. A fighter of the leader [suryong] — this name is a proud name of a fighter who uphold's the party and leader [suryong] as a father of political life; a fighter who foster's the ideology of the party and leader [suryong] as spiritual provisions; and a fighter who resolutely advocates and elucidates the ideology and achievements of the party and leader [suryong].

A fighter of the leader [suryong] — this is the most honorable title of a fighter who regards sharing the fate with the party and defending the leader's [yongdoja] welfare and dignity as the first duty and life, and the most honorable title toward revolutionaries who do not change in whatever difficulties.

General officers, enlisted men, cadres, workers, party members, members of the Socialist Working Youth League, and all the people who live on this land feel it more honorable to be termed the party's fighters, the leader's [suryong] fighters, than being called in the name of their position or title. Herein lie the supreme truth of the Korean revolution which has traversed the single road of victory and the secret of the valuable life of our revolutionary fighters.

In retrospect, the Korean revolution was unprecedentedly arduous. Since the day when the red flag of the Down-With-Imperialism Union was lifted at the foot of history, the road of our revolution and party has been a road linking most fierce battles against the imperialists.

On this road, there were the flames of the war which determined life or death, the critical moments of trials when we had to wage desperate struggles, tightening oZ?elts, and the strong gales of imperialism which broke down socialism in many countries of the world.

On this road, however, how could the Korean communists beat the battle drum of victory of the revolution loudly at every phase and how could they bring into full bloom the fighters' brilliant lives which are immortal even after they die?

The young communists Kim Hyok and Cha Kwang-su who upheld the leader [suryong] by becoming [words indistinct]! Comrades O Chung- kuk, Ma Tong-hui, and Kim Chaek, who became the (?headquarters) in luring the enemies and the incarnation of the revolutionary integrity of cutting their tongues by themselves and who struggled as the fervent loyalists burning with faith and obligation! Heroes Yi Su-pok, Kang Ho-yong, and (Yi Tae-kun) who blocked the muzzles of the enemy's rifles with chest and shouted hurrah for General Kim Il- song even while falling down in the decisive battle! The working class of Kangson who defended our party with the flames of Chollima in the difficult postwar period, shouting that even though the sky and earth can be reversed, our party's policy can never be reversed! The grandmother of Taesong who declared that we will support only the leader [suryong] even though the enemies babble about the situation of our people's living!

Apart from the loyalty of these fervent revolutionary fighters and people, we cannot speak of the (?anti-Japanese struggle), the victory in the fatherland liberation war, and the great upsurge of the postwar socialist construction; and we cannot sing their lives which shined like stars.

The death of the great leader Comrade Kim Il-song last year was the greatest trial of our nation and our revolution. Looking into the history of the world's politics, we can see the fact that many vicissitudes in the revolution, the destruction of stability and unity, and many historic, tragic developments which led to policy changes have emerged after the death of leaders. However, what did the world see in Korea after the death of the great leader Comrade Kim Il-song?

It was an absolute stability without any confusion and change, and an indomitable spirit which was never moved by all sorts of pressure from the imperialists. It was the pledge of eternal loyalty which was made with tears before the spirit of the departed great leader [suryong] and which was made again before the leader laid in eternal state in the Kumsusan Memorial Palace. It was not only the Korean communists' sincere heart to carry out the revolution to the end, upholding the fatherly leader [suryong] eternally and more properly upholding the respected and beloved General Kim Chong-il; it was also its invincible might.

Here is a letter sent to this newspaper company on the occasion of the 50th anniversary of the party founding. This letter sent by the grandson of Comrade Kim Il who devoted his whole life to upholding with loyalty the great leader [suryong] and the respected and beloved general includes an impressive story about the Korean communists who are invariably devoting loyalty generation after generation.

On the days of trials of the postwar period when the enemies at home and abroad challenged our party Comrade Kim Il, a revolutionary, defended with life the great leader [suryong] by attacking the counterrevolutionary, factional elements, while sternly declaring them as un-grateful men who lack faith and a sense of obligation. What words did he leave at the last moment of his life?

He left the following words: Revolutionaries do not carry out the revolution with their position they occupy, but with their faithfulness. Properly upholding the leader [suryong] is the life of fighters. I would like to hand over the sincere heart that I have followed steadily to you as my last property."

In describing his enthusiasm on the anniversary of the founding of the party, the grandson of this fighter who is now working as a party official states that he lives always, cherishing in his heart this invaluable property which his grandfather received at that time the international communist movement was undergoing stern trials.

He goes on to state: No matter how many times I may be burned to ashes during my trials, my heart will not change, and I will hand the property down to my sons and daughters.

The long history of a party is not what one can be proud of. A party is great and its revolution is invincible when its blood line, the revolution's blood line, remains unchanged. Our party's blood line is a blood line of loyalty.

The single heart of loyalty, which the predecessors of the revolution handed down to their posterity and which posterity inherits for life, and our unchanging loyalty, which has struck its historic roots deep in the party and which has grown into a forest within the party: Herein lie the invincible WPK, the powerful Korean power, as well as our future which is as brilliant as the sun.

A revolutionary must not change. Those who carry out a revolution must be fighters of the party and of the leader [suryong]; they must be fighters who do not change under any circumstances. In the history of the international communist movement, there were loyalists who unchangingly upheld the revolution's leader [suryong], and there were traitors who changed depending upon the environment. Not changing is the most honorable victory, while changing is the most shameful destruction and crime.

A revolution is advanced by its fighters who are loyal to the leader [suryong], and it is tragically ruined by traitors. What do people witness in those countries where socialist ruling parties and socialism collapsed without a bullet being fired? They see betrayal. That is, communists and people of each of those countries failed to defend their revolutionary leader [suryong] from the antisocialist maneuvers of the imperialists and the conspiracy of the traitors. A revolutionary struggle, a struggle for socialism, is a class struggle to defend the party and the leader [suryong].

The history of mankind's development is that of a fierce class struggle for the independence of the popular masses. All historical revolutionary struggles to destroy oppressive systems and build new politics and systems, including slave riots by those who flew blood- stained red flags, were fierce wars between revolutionary forces and antirevolutionary forces, proving to be uncompromising and irreconcilable class confrontations in which one beats the other.

The socialist revolution opened with the courageous struggle by the working class, which turned the streets of resistance red and which closed in on the capitalist's fortresses; advanced through its bloody struggle; and achieved victory by the courageous struggle of the revolutionary fighters to defend the socialist accomplishments from the imperialists' aggression. What experience and lessons did the communists learn from this struggle? What principles should they always consider to be basic in this struggle, and what should they abide by?

The preceding leaders [suryongdurun] of the working class elucidated the truth that the working class must break the iron rule of the capitalists (?with bayonets), and that the working class all over the world must unite in this struggle. They also elucidated the truth that the working class must strongly uphold the proletarian dictatorship as a weapon, and implemented this truth in the practical revolution.

Today, given the historic experience and lessons of the international communist movement, we insist on the invincible truth that the most important thing in this struggle is to strongly defend the party and the leader [suryong].

One must view a class struggle based on the outlook on the leader [suryong]. A leader [suryong] plays a decisive role in a revolutionary struggle. The leader [suryong] is not an individual, but the brain of the revolution, the center of unity, and the supreme person who represents the interests of the popular masses. Only when there is a leader [suryong] is there are a party, a revolution, and a fatherland. Only then is there national unity and the honor of the fighters.

Just as the human world is unthinkable without the sun, so is the revolutionary world unthinkable without the leader [suryong]. A rank that has failed to defend its leader [suryong] loses its bearing, is easily shaken, and becomes ruined midway through just like a boat that has no compass and steersman.

How did the collapse of the powerful socialist country, which at one time shook the first half of the 20th century in the flames of the socialist October revolution, begin and end? Its collapse began with the fact that after the leader [suryong] of the working class died, enemies at home and abroad, using the alleged personality cult as an excuse, launched attacks and committed traitorous acts to damage his authority; the country was ruined when his ideas and achievements were completely rejected and negated.

Just like a tree that dies instantly if its roots are severed, if the party's blood line—the leader's [suryong] blood line—is severed, then socialism will instantly lose its vitality.

Only after socialism collapsed did the revolutionaries and people of this country realize the truth that if they fail to uphold the revolution's correct successor and maintain the leader's [suryong] idea and achievements, then there will be no revolution or socialism.

Damaging the revolutionary leader's [suryong] authority and separating the party and the leader [suryong] from the people is the first strategy of the imperialists' antirevolutionary and antisocialist maneuvers. The imperialists' war of aggression is part of this strategy, and damaging the revolutionary leader's [suryong] authority and separating the party and the leader [suryong] from the people is the goal of their winds of freedom and peace [chayuhwa param pyonghwa param] as well as their destruction and conspiracy maneuvers perpetrated behind the scenes.

People who carry out the revolution must have a high awareness of the imperialists' winds of freedom and peace. There are many instances in the world in which the revolutionary struggles of the popular masses were frustrated by the armed aggression of the imperialists; there are more instances in which they were frustrated by the enemy's winds of freedom and peace.

The imperialists' winds of freedom and peace degenerate the revolutionary people's revolutionary idea and corrode class awareness as regards upholding the party and the leader [suryong]. They are antirevolutionary winds [panhyongmyong param] designed to eliminate socialism.

People who carry out the revolution must always maintain a high vigilance against these cunning maneuvers by the enemy and must not become easy-going and lax even for a moment.

One ruins the revolution not because he intends to do so, and one disgraces oneself not because he intends to do so. Rather, one ruins the revolution and disgraces oneself when he harbors an illusion about the enemy's peace strategy, becomes easy-going and lax, and as a result, fails to fulfill his duty as a warrior to defend the party and a warrior to defend the leader [suryong].

Defeat the enemy's antirevolutionary winds with revolutionary winds! Do not have illusions about the enemy's conspiratorial peace overtures even for a moment, but instead strongly grasp the protector's bayonet! This is the summation of the history of the international communist movement which has undergone not only victory in the revolution but stern trials and tragic twists and turns. This is also a solemn declaration based on the experiences and lessons of the movement. This is also the Korean communists' philosophy toward revolution and victory.

The leader [suryong] is the only destiny of the revolution. The party and the leader [suryong] are the revolutionary fighters' only lives. Just like a person has only one mother who gives life to that person and defends his life, it is only the leader's bosom that defends the revolution and the revolutionary fighters' lives.

The revolutionary fighters can in no way carry out the revolution and live if they leave the bosom of the party and the leader [suryong]. Our experience from our great 50-year history is the emotional experience that the great leader Comrade Kim Il-song and the great leader Comrade Kim Chong-il are our only destiny.

Comrade Kim Chang-muk, secretary of the Palchong-ri Party Committee in Taedong County—who is now properly carrying out party work in his cooperative farm without forgetting the class awareness of having lost his father at the time of land reform, the warm care and love that the great leader [suryong] and respected mother Kim Chong-suk bestowed upon him at that time, and today's great trust which is being extended by the respected and beloved general—says: The most precious experience in my life, which has come together with the party for half a century, is that I have come to realize what the life of our nation is and what the honor of our revolutionary fighters is. After graduating from school, I advanced into society and later became a party member. During this period, I came to deeply realize that the fatherly leader [suryong] and the respected and beloved general are the fathers of our destiny.

Our people follow the respected and beloved Comrade Kim Chong-il as their only destiny. The great leader [yongdoja] Comrade Kim Chong-il is precisely the great leader [suryong] Comrade Kim Il-song and our glorious party.

The great leader [suryong] and the respected and beloved general are the only father of our destiny, the only sun of our destiny, and the only heaven of our destiny.

Korea, which was trampled underfoot as a scapegoat during the struggle for mastery among the world powers and their scramble for domination! The nation which had to undergo the sorrow of being a weak and small nation!

However, how could such a Korea, such a nation, climb the peak of dignity and honor today from where no one can pick on us? All our glory and victories cannot be thought of apart from the revered names of the great leader Comrade Kim Il-song and the great leader [yongdoja] Comrade Kim Chong-il.

Whenever adversity was turned into prosperity and misfortune turned into fortune during the days of the arduous anti-Japanese revolutionary war and the formidable fatherland liberation war, and during the days of trials in the postwar period, our people could not repress their surprise at the greatness of the great leader [suryong].

Today, whenever we experience all the glory and might of victoriously smashing the imperialists' offensive to crush our socialism, we cannot repress our excitement over the greatness of the respected and beloved General Kim Chong-il.

Without you, we do not exist; without you, the fatherland does not exist. We live, trusting in you as in heaven. The faith of this excellent revolutionary song that our revolutionary fighters sing in their hearts is the faith stemmed from their experience.

He is the great man who adds luster to the honor and dignity of the nation with brilliant wisdom, an iron-willed faith, matchless courage, and an outstanding strategy to smash any powerful enemy with one blow! He is the bosom of the great sun which trusts and leads all people living in this land with motherly hands and who adds luster to the lives of all people!

He has benevolent eyes, like the bosom of a mother who devotes love and zeal to her children even in the night! He has an infinitely intimate and warm-hearted bosom in which we feel like being embraced whenever we see his warm-hearted smile and hear his warm voice!

It is our Korean communists' determination and will to try not to be separated from the bosom at any cost, regarding the bosom as their cradle.

We cannot live apart from that bosom. Let us firmly defend socialism to the end by properly upholding the general!

This is precisely not only the deep, emotional feeling of the people who reside in the Sinuiju District who received great benevolence from the respected and beloved general when floods hit the district recently, but is also the experience and faith of all our people.

Our faith today is the faith that all people become genuine defenders of the party and genuine fighters who defend the respected and beloved general.

Let us defend the party center with our lives. Let us loyally uphold the ideology and leadership of the respected and beloved general and defend his authority by all means. Defend socialism, and we will win; abandon socialism, and we will die. This is our faith. We defend the party center with faith and self-consciousness.

Everyone living in this land has their honorable share of the role as fighters of the party and the leader [suryong]. We may have different work posts and occupations, but we are all fighters of the great Comrade Kim Il-song and the great Comrade Kim Chong-il. Every one of us has his share in maintaining the ideology and achievement of the leader [suryong] and in defending the leader [yongdoja]. Anyone who needs someone else to lead the way is not a fighter of the leader [suryong]. Without being pushed by someone else, a fighter of the leader implements the party's intention in the lead with faith and self-consciousness in his assigned post, not caring whether he is seen or appreciated, but seeking his own share and take charge as a defender.

A fighter of the leader knows to block an exploding hand grenade with his body to protect the leader's [suryong] portrait; to question himself on whether he fulfilled the day's responsibility when lying in bed at night; and to fulfill his role assigned to him by the party both at work and in the field. A fighter's faithfulness is not in honor or fame, but in sincerity and devotion. One's appearance may be created, but a fighter's work style cannot be created or discounted. Those who fulfill their share of work for the party and the leader [suryong], not with words but with struggle and feats, not with make-ups but with solid contents, not with deficiencies but with the accuracy of a clock; those who do not look back on past achievements but look ahead to a busy future; those who always live sincerely; those whose bodies may grow old but who are still of use to the revolution and the party, are the fighters of the leader and disciples truly faithful to the party and the leader [suryong] as well as to their revolutionary cause. Our revolutionary cause is ever-victorious because of these fighters.

We will defend our party center with single-hearted unity. We oppose the enemies' strategy of disintegration by adopting a strategy of single-hearted unity. Single-hearted unity unites millions of people as one. The people of the world say that no nuclear bomb can break single-hearted unity. Our single-hearted unity defends the great leader [suryong] and the respected and beloved general as the destiny of the revolution.

Foreigners visiting our country say that Koreans are one in ideology, emotion, and aspiration. That is the unitary single- hearted unity and harmonious whole that breathes with their leader [yongdoja] and defends the party and the leader [suryong].

A peach has pulp and a hard core to protect the seed from the wind. As long as we have our people and party members, no imperialist storm can approach the nerve-center of our revolution. We defend our party center as a right to live. The party and the leader [suryong] are the father of our political life. The leader [yongdoja] is the life of the revolutionary fighters. When the authority of the leader [yongdoja] shines, then the life of the revolutionary fighters becomes brilliant.

Nothing is stronger than the struggle to win the demand and right for life. The revolutionaries' song, which states that not tears but songs shall be dedicated at a warrior's death, is a song for the right to live. We devote our loyalty to our party and our general, not only as an ideology, but also as a demand of our life and as a right to live not to be conceded or lost to anyone.

We are the revolutionary fighters of the respected and beloved supreme commander General Kim Chong-il. If anyone dares say anything to defame the general's authority, we will become rifles and bombs, and will explode on the spot. This is the same faith that bursts from the hearts of the two soldiers of the Korea People's Security Forces who, in January 1994, lost consciousness on our territorial waters in the West Sea [Yellow Sea] and drifted to the South, then were abducted by the enemy and detained in Seoul.

With the spirit of becoming rifles and bombs, fighters of the leader should confront their enemies. The revolutionary fighters should be firmly ready so they can be heroically sacrificed and secretly [word indistinct] along the road for the party and the leader [suryong].

Those who risk their lives to safeguard the leader of the revolution if necessary, and who become rifles and bombs even if no one fires a gun, are the chuche of the revolution and persons who will live brilliantly.

Along the road of the respected and beloved general, it is a glory whether we live or die. Today, this spirit is the basic spirit of our times and the most sacred sentiment of all our revolutionary fighters.

Let us become rifles and bombs to safeguard the respected and beloved supreme commander Comrade Kim Chong-il. This voice has been highly raised in those sites where maritime exercises are conducted by the soldiers of our People's Army in the presence of the respected and leader general; are warmly raised in the guard posts in the Demilitarized Zone along the Military Demarcation Line when they greeted him; are raised at the rallies held by our party members, working people, youth, and students; and are highly raised at the construction sites where grand monumental creations in the WPK era are being built under the orders of the respected and beloved general and in the [word indistinct] site of feat.

The imperialists should clearly know Korea. Yi Su-pok, [word indistinct] of 10 million, as well as the working class and Taesong, grandmother of 10 million, exists in this land today. The entire country, all the people, and the entire Army are single-heartedly united around the respected and beloved general, cherishing faith and class awareness in their hearts so that they can become rifles and bombs.

The rifles and bombs, shouted along by invincible revolutionary fighters, are the powerful rifles and bombs that will defeat any powerful enemy at a stroke, as well as the rifles and bombs of the invincible and single-hearted unity. Even though the imperialists and reactionaries cunningly apply political, economic, and military pressures against this land, they cannot frighten our revolutionary fighters nor seize our right to life. No one can block our advance.

The great General Kim Chong-il, who is unrivaled throughout the nation, exists for us. As long as the respected and beloved general exists, and as long as exists the invincible revolutionary fighters of 10 million, and the one-is-a-match-for-one-hundred and one-is-a-match-for-one-thousand fighters of the leader [suryong], who overflow with a feeling of loyalty, then our party will be always ever-victorious, our state will be impregnable, and our Army and people will be invincible forever. We will achieve victory. We are the fighters of the leader [suryong].

International Chuche Group Head Writes Article

SK1310213395 Pyongyang KCNA in English
1509 GMT 13 Oct 95

[FBIS Transcribed Text] Pyongyang, October 13 (KCNA) — If a party steadfastly maintains a chuche-based stand and an independent line as the Workers' Party of Korea has done, it will be able to further consolidate socialism as firm as a rock and glorify it, not affected by any opportunism, said Kenich Ogami, secretary general of the International Institute of the Chuche Idea (IIJI) and chairman of the permanent committee of the Japan Society for the Study of Kimilsongism in an article titled "WPK Exalts Era of

Independence", which he published on the occasion of the 50th WPK birthday.

The article says:

Although 50 years have passed since the foundation of the WPK, its historical root was provided nearly 70 years ago, when President Kim Il-song formed the Down-With-Imperialism Union in 1926.

President Kim Il-song, who founded the chuche-type party, splendidly settled the question of the successor to the party's cause.

Comrade Kim Chong-il has worked hard to cement the party organizationally and ideologically over the 30 years since he began working in the WPK Central Committee.

Considering the ensuring of oneness of ideology and leadership in the party to be a basic principle in party building, he has strengthened and developed the WPK to be an invincible militant unit that thinks and moves as one under the leadership of the leader. What is noteworthy in activities conducted by Comrade Kim Chong-il to liquidate poisonous ideologies in the party and attain unity of the whole party is that he has achieved the unity around President Kim Il-song, the leader of the revolution.

Unity of the whole party in ideology, intention, morality and fidelity, with the leader at the centre, has made the unity of the WPK most solid.

Korea's is a society in which the leader, the party and the masses form a socio-political organism.

What is outstanding in the leadership of Comrade Kim Chong-il is that he has turned party work into the one of taking charge of destinies and happiness of the masses.

He has always formulated lines and policies correctly reflecting and consummating the wish and demands of the masses and carried them into practice by setting in motion their strength and wisdom.

The WPK is equipped with all principal conditions that a party of the masses should take so that it holds the position of an organizer and guider of all victories of the Korean people and plays its role with credit.

The foundation of the WPK and its development in strength are a precious basis, in the present-day world, for the completion of the cause of revival of socialism.

The WPK led by Comrade Kim Chong-il, who is creditably carrying to accomplishment the chuche revolutionary cause of Comrade Kim Il- song, with the chuche idea as the guiding idea, will, in the future, too, fulfill its role as a vanguard clearly showing the road ahead of the struggle of the world's people.

Confederal System Noted as 'Reasonable' Method

SK1610011295 Pyongyang Korean Central Broadcasting Network in Korean 0745 GMT 14 Oct 95

[Unattributed talk: "Confederal System Is the Nation's Common Reunification Method Reflecting the Desire of All Fellow Countrymen"]

[FBIS Translated Text] The great leader Comrade Kim Il-song has taught: Our party recognizes that the most realistic and most reasonable method to reunify our nation independently and peacefully, based on the principle of the great national unity, is to form a confederal state jointly with North and South Korea, leaving intact the ideologies and systems existing in the North and the South.

Today there are in actuality two different systems in North and South of our country, and two different ideologies rule them. This being the case, the key for resolving the reunification question in our country is how to resolve the contradiction between the nation's earnest desire for national reunification and the reality in which two different systems exist in the North and South.

For our nation, national reunification is more urgent than either the idea or the system. Since all the people unanimously recognize national reunification as the supreme task of the nation, differences in ideologies and systems cannot be a barrier to reunifying the North and South as one.

National reunification is not intended for the benefit of a certain class or circle, but for all Koreans. Therefore, the interest of individual class and circles should be subordinated to the common interest of the nation.

The issue of national reunification is one that links the people's blood, which was artificially severed. It is also a way of achieving national reconciliation. This is also an issue of realizing the national independence of the entire nation.

If national reconciliation means linking the nation's blood through the joint efforts of the North and South, and the recovery of the nature as a homogeneous race, then the work of achieving national independence will mean the recovery of the rights of a dignified people.

These two aspects of the reunification question are not issues of ideology and system, but are one issue related to national character [minjokchok songkyok]. Therefore, the reunification question in our country demands a resolution by giving top priority to the nation's ideal and basing it on the national standpoint, not on the basis of giving priority to the demands of ideologies and systems.

When the entire nation gives priority to the nation's common ideal and the task of national reunification, and seeks national reconciliation and unity, transcending differences in ideologies and systems, then we can achieve reunification through a confederal system even under conditions in which different ideologies and systems exist in the North and South.

The reunification of our country absolutely cannot be resolved in such a manner that any one side enforces its own ideology and system over the other. This method means war.

Thus, we should seek conditions which enable us to achieve reunification by leaving intact the ideologies and systems existing in the two areas of the North and South. These condition are the common nature and homogeneity of our nation.

Our people are a homogeneous race who have lived on the same land, with one lineage and one language, for the long period of 5,000 years, having Tangun as their progenitor who created one national culture.

Although our nation has been divided for a half century by outside forces, the nation's common nature remains the same as before, and has not changed.

What remains different between the North and South, if there is any difference, is related to the mutually different systems that have existed for a half century. However, this difference is not a major problem when compared with the nation's common nature and homogeneity which has been formed and consolidated over several thousands of years.

The nation's common nature and homogeneity, which has been formed throughout our long history, has much deeper roots than the differences in our systems, which was caused by division for scores of years.

If we give precedence to the nation's common nature and homogeneity, which has been historically formed and solidified, then the two systems existing in the North and South can exist together with one another within one nation, one unified state.

The only way for us to achieve national reunification independently, peacefully, and promptly, ending the nation's division and by realizing reconciliation and unity between the North and South as one people, is to achieve reunification through the confederal system based on one nation and one state, two systems and two governments.

Those who truly want peace and reunification of the nation, opposing confrontation and war, should choose reunification through a confederal system, which is equally beneficial to the North, the South, and the entire nation. National reunification through a confederal system reflects our patriotic position to seek the nation's common interest by regarding the nation's reunification as a national issue and by transcending the boundaries of region, class, and system. It attaches more importance to the nation's common nature and homogeneity than differences in our systems.

This plan thoroughly reflects the principle of not allowing anyone to conquer the other or anyone to be conquered by the other, and firmly guarantees coexistence and co-prosperity between the North and South within one unified confederal state.

It is inevitable that our divided people will move the nation's history toward reunification through a confederal system. It is the only, best, and most just way our people can choose.

Therefore, in August this year, all fellow countrymen have finalized this confederal reunification plan as the common means of national reunification. With this plan, they can rise as one in the struggle to form a pannational unified state based on one complete unitary design.

Since our people have a common national reunification plan, the reunification movements in the North, South, and overseas have firmly entered into one orbit, the orbit of the reunification through a confederal system, in the 1990's.

All Korean compatriots in the North, South, and overseas should achieve without fail reunification through a confederal system in the 1990's by upholding the behests for national reunification from the great leader Comrade Kim Il-song, the everlasting sun and father of the nation, and by vigorously accelerating the grand reunification march under the wise leadership of the great leader [yongdoja] Comrade Kim Chong-il, the center of national unity and lodestar of national reunification. Thus, they should display their dignity and honor as reunified 70 million fellow countrymen to the entire world.

Kaesong Bean Paste Factory Commissioned

SK1410111195 Pyongyang KCNA in English 1004 GMT 14 Oct 95

[FBIS Transcribed Text] Pyongyang, October 14 (KCNA) — The Koryo peppered bean paste factory in Kaesong Municipality adjacent to the Demarcation Line was commissioned on the occasion of the 50th anniversary of the Workers' Party of Korea.

All the production processes of the factory from sorting of raw material, smashing, ripening, sterilization and packing have been streamlined and will annually produce thousands of tons of Koryo peppered bean paste, a famous special product in this area.

The great leader Comrade Kim Chong-il sent thanks to workers, technicians and office workers who participated in the building of the factory.

The Aeguk magnet factory was commissioned. It will contribute to the development of the electronic industry of the country.

The factory, associated with patriotism of the Korean traders and industrialists in Japan, will produce all kinds of magnets necessary to the electronic and electric machine industry, mining industry, railway transport and public health.

South Korea

North To Target U.S. Forces First if War Erupts

SK1410051895 Seoul THE KOREA HERALD in English 14 Oct 95 p 1

[FBIS Transcribed Excerpt] North Korea will strike U.S. forces stationed in South Korea as its first target if war breaks out in the Korean Peninsula, seeking thousands of U.S. casualties in the initial stage of the conflict, a North Korean army colonel who has defected to the South said yesterday.

North Korean military leaders believe that if attacks are first focused on the U.S. troops and several thousands American soldiers are killed or wounded, it would lead to antiwar sentiments among U.S. citizens and then to the withdrawal of the U.S. forces from South Korea, Choe Chu-hwal told a news conference held at the Korea Press Center in central Seoul.

Choe, 46, the highest-ranking North Korean military officer to defect to the South, said North Korea believes that high casualties would lead to political turmoil in the United States, which could break the joint defense agreement between Washington and Seoul. The United States keeps about 37,000 troops in South Korea.

Choe, who defected to the South via a Southeast Asian nation in late September, said North Korean leaders were, however, not convinced they could win a new war in the peninsula. [passage omitted covered by referent items]

Asked about North Korea's nuclear program, Choe said he was not sure if Pyongyang has actually produced nuclear bombs.

North Korea has developed 175-mm self-propelled artillery with a range of 50 km, which can hit targets in Seoul from Kaesong in the North, he said.

At least 30 scientists and technicians from the Ukraine secretly visited North Korea in February this year to transfer their technology for MIG-21 jet fighters, Choe said.

He said that because he defected to the South his family would be immediately detained at the notorious North Korean concentration camps that hold "political prisoners." His family members in the North are his wife Choe Hyon-sil, 42, and two sons and a daughter.

Further on North Plans

SK1410065795 Seoul KBS-1 Television Network in Korean 0100 GMT 13 Oct 95

[Interview with Choe Chu-hwal, former colonel of the North Korean People's Army who recently defected to the ROK, at the Press Center in Seoul — live]

[FBIS Translated Excerpt] [passage omitted profiling Choe Chu-hwal, his motives for defection, and why Kim Chong-il's power succession has been delayed in North Korea is covered by referent items] [TONG-A ILBO reporter Song Sang-ung] I am Song Sang-ung, a reporter for TONG-A ILBO. Kang Myong-to, a son-in-law of North Korean Premier Kang Song-san, defected in July last year and gave an interview. During his interview, he stated that North Korea had five or six nuclear warheads, but refused to announce this because such an announcement would invite international pressure. Do you know anything about North Korea's nuclear weapons development? Also, I have heard that North Korea deployed over 60 percent of its forces south of Pyongyang and beefed up its winter training. Can you tell us something about this?

[Choe Chu-hwal] No one in the Ministry of People's Armed Forces informed me on whether North Korea possesses nuclear weapons, so I do not know whether there are nuclear weapons. No one but those involved in nuclear weapons development knows about these weapons because such development is top secret. [passage omitted on deployment of troops and the production of weapons is covered by referent items]

I would like to add one thing about whether North Korea's troops are capable of provoking a war. Because their lives have worsened due to political instability, economic chaos, and poverty, both the people and soldiers feel that dying from starvation and being killed in combat are no different. Therefore, they want to fight quickly.

Taking advantage of this public sentiment, Kim Chong-il may decide to wage war rather than resign without doing anything.

Another thing: North Korea insists on a peace agreement in place of the Armistice Agreement. It intends to seek the withdrawal of the U.S. Forces in Korea [USFK] under a peace system, then attack the ROK by taking advantage of its weakness.

Also, Pyongyang believes that if the United States and other Western countries attack North Korea, then Pyongyang will boldly respond by waging war. In fact, because high-ranking North Korean generals and officers of the Ministry of the People's Armed Forces are aware of the military strength of the ROK and the United States, they feel it is difficult to say which side will win. They add that North Korea cannot win if the war is quick, but may win a long-term conflict.

High-ranking generals as well as officers and men of the North Korean Army believe that if they focus their attacks on U.S. troops first, and if as a result, several thousand American soldiers are killed or wounded, this will lead to an antiwar sentiment among U.S. citizens and to the withdrawal of the U.S. forces from the Korean peninsula, breaking up the military alliance between the United States and the ROK and paralyzing the joint military command structure. They also believe that because true democracy is ensured in the ROK, and because there are many rich people here, if war does break out then the wealthy, lawmakers, and generals may flee to foreign countries for fear of their lives, plunging the country into chaos and paralyzing the military. Only then can North Korea easily achieve victory over the ROK. [passage omitted on North Korea's economic situation is covered by referent items]

[NHK reporter Chong Hun-kyo] I am Chong Hun-kyo, a reporter for NHK of Japan. You have said North Korea is producing missiles in its Taeji Plant in Pyongyang whose range is 1,000 km. Would you tell us whether the Nodong No. 1 and 2 and the Taepodong missiles are under development or have already been deployed for actual warfare?

[Choe] North Korea started rocket production in early 1980. Many foreign countries paid attention to North Korea's rocket production, and delegations from many countries visited North Korea. Some countries saw the entire plant, and some asked North Korea to export its rocket plant.

North Korea has extended the range of its rockets to 400 to 500 km. North Korea has also tested a rocket that can fly 1,000 km. I believe tactical rockets, whose range is 300, 500, or 600 km, have been deployed along the front because they target the ROK. I also believe that if North Korea develops strategic rockets whose range is over 1,000 km, Pyongyang may deploy them not along the front, but in other necessary areas. [passage omitted on the collapse of North Korea and the production of MiG-21's is covered by referent items]

North Economy 'in Shambles'

SK1410045495 Seoul THE KOREA TIMES in English 14 Oct 95 p 1

[Article by staff reporter O Yong-chin]

[FBIS Transcribed Text] North Korea, with its economy in shambles and beyond repair, will collapse in four to five years as elements united against de facto leader Kim Chong-il rise against him, predicted a senior North Korean army officer who recently defected to the South.

In a press conference in Seoul, Choe Chu-hwal, 46, an officer of colonel-level in the North Korean People's Army, said, "It will be impossible to turn around without massive help from the West and the South."

Making other speculations, "Should the North open its doors, it is inevitable that democracy will move in and disenchant the people with their lot, leading them to rise against their leadership," said Choe, the highest ranking military official ever to defect to the South.

He said that expected collapse of the North Korean regime made him make up his mind to defect, leaving his family behind in hopes that he my someday return to them with pride.

Choe said that Kim Chong-il has not gained complete control of the North's military, which prevents him from officially assuming the presidency, even after more than a year since his father Kim Il- song died.

"In 1992, some generals staged a putsch to overthrow the senior Kim but failed," the defector said, referring to the existence of forces disloyal to the Kim family.

"Kim Chong-il appears to be postponing his official assumption of the presidency until after the North's economy improves and its residents are properly fed," Choe said.

He said that Kim is still trying to buy support from generals with expensive gifts, while purging holdouts "efficiently."

"Kim has no hands-on military experience, his political wisdom is questionable and his private life is full of pecadillos," he said, adding that women are imported from Sweden and Russia to serve Kim.

Asked what the North Korean military thinks about the South's military, Choe said that high ranking officials know its real might through reports that are privy to them. On the other hand, the rank and file soldiers consider the South a puppet manipulated by the United States.

"Some North Korean people and soldiers feel so pinched by their desperate state that they wish a war would break out soon," he said.

Ignoring the despair of the North Korean populace, their leadership is engrossed in building up the country's military capabilities, lately creating seven new corps, each 100,000-men strong, and positioning 70 percent of its ground forces south of Pyongyang.

"The North produced a prototype MiG-21 earlier this year with technology it stole from an East European country a few years ago," he said. "Although Russia cut off its supplies of military hardware and technology, the North manages to keep going with Ukrainian help." He said that a Ukrainian delegation of 20 to 30 technicians visited the North earlier this year to help top up the North's aviation technology.

Questioned on how the North would use 150,000 tons of rice aid from the South, Choe speculated that the military might receive a major portion of it, while the rest would be distributed among residents with its source tightly kept secret.

Colonel Choe defected to the South via a third country, refusing a summons to return to the North, while operating as a representative of a company run by the military last May. He said that extensive contacts with South Korean businessmen in China disillusioned him about the North resulting in his defection.

Seoul To Allow Inspections of Nuclear Facilities

SK1510045395 Seoul CHOSON ILBO in Korean 15 Oct 95 p 2

[Report by Ku Song-chae and Kim Yon-kwang]

[FBIS Translated Text] On 14 October, the ROK Government decided to allow in 1996 ROK-U.S. joint inspections of its domestic nuclear facilities in an effort to establish an efficient inspection system that will ensure North Korea's nuclear transparency.

The government also plans to positively deal with the fact that North Korea has threatened to abrogate the Geneva nuclear agreement, mentioning the unfreezing its nuclear program and the rejection of special inspections.

On 14 October, an ROK Foreign Ministry official stated: "Given its current nuclear strategy, North Korea may likely accept North- South mutual inspections rather than special inspections by the International Atomic Energy Agency." The official added: "ROK-U.S. joint inspections of the South's domestic nuclear facilities are a preliminary measure to prepare for North-South mutual inspections."

The official also stated: "During these joint inspections, the ROK and the United States will agree on the details of the inspections of North Korea's nuclear facilities." He said: "No schedule has yet been set for the visit to the ROK by a group of U.S. nuclear inspection experts. However, the U.S. experts will visit before March at the earliest."

Another high-ranking ROK Government official stated that Han Song-yol, counselor of the North Korean Mission at the United Nations, hinted that North Korea's rejection of special inspections is a "grave" situation [simgakhan sanghwangiramyo], adding: "If North Korea seizes the frozen nuclear facilities, we will immediately consider this a total abrogation of the Geneva nuclear agreement, will stop the light-water reactor negotiations, and will present the North Korean nuclear problem to the UN Security Council to seek sanctions. This is the ROK Government's firm position."

U.S. Said To Hasten Opening of Liaison Office

SK1510044995 Seoul CHOSON ILBO in Korean 15 Oct 95 p 1

[Report by Ku Song-chae and Song Ui-tal]

[FBIS Translated Text] It has been learned that the United States has hastened its negotiations with North Korea to open a liaison office in Pyongyang, as is stipulated in the U.S.-North Korea agreement, before the end of this year, and that Washington has recently informed the ROK Government of its intentions to open the liaison office.

Diplomatic sources confirmed this on 14 October, stating: "The United States and North Korea were expected to simultaneously open liaison offices in Pyongyang and Washington. However, as North Korea has not shown any signs it will open a liaison office in Washington, the United States has hastened the opening of its liaison office in Pyongyang prior to North Korea opening one in Washington."

The sources added: "It is not clear why the United States is hastening to open a liaison office in Pyongyang. It is speculated the United States feels it necessary to witness the flexible North Korean situation first hand, and wants to establish an official diplomatic channel with North Korea at an early date."

The sources went on to say: "Based on the ROK-U.S. agreement that the improvement in U.S.-North Korea and North-South relations must be pursued simultaneously, the ROK Government believes it is not desirable for the United States to hasten the opening of a liaison office in Pyongyang while North-South relations have not improved." They added: "The ROK Government is about to notify the United States about this view."

The sources concluded: "Working preparations have virtually been completed to open a liaison office in Pyongyang. The United States and North Korea have agreed to use the compound of the former East German Embassy as the site of the U.S. liaison office."

North May Accept ROK-Style Nuclear Reactors

SK1610061395 Seoul MUNHWA ILBO in Korean 16 Oct 95 p 2

[Report by Han Chong-ho]

[FBIS Translated Text] On 16 October in New York, the Korean Peninsula Energy Development Organization [KEDO] and North Korea resumed their second set of high-level talks to discuss the signing of a light-water reactor agreement. During the talks, which will last for three days, both sides will try to reach a "political solution" to the two major issues on the agenda which previously- held talks had decided on: the scope of supplying light-water reactors and the repayment terms for construction expenses.

Meanwhile, on 16 October, an ROK official concerned said: Since September, KEDO and North Korea have held working negotiations behind closed doors. North Korea completely acknowledged that the light-water reactors to be provided to North Korea would be "ROK-style" and that the ROK would play a "central role" in designing and constructing the light-water reactors.

This official, who asked not to be identified, added: "In the working negotiations, North Korean experts were not opposed to the two principles of ROK-style reactors and the ROK's central role." He further said: "To discover North Korea's true intentions, KEDO specifically mentioned the 'Korean standard nuclear power plant (KSNP)' in its one-page summary of the results of its first site survey, which it then handed over to North Korea as Pyongyang requested." He added: "North Korea was not opposed to this."

This official concluded: "For the first time, during a closed-door meeting, North Korea assumed the attitude of completely accepting ROK-style reactors." He said: "North Korea is also very positive about the second survey scheduled for later this month."

Preident Rules Out Steps for Reconciliation

SK1510055995 Seoul YONHAP in English 0536 GMT 15 Oct 95

[FBIS Transcribed Text] New York, Oct. 14 (YONHAP) — South Korean President Kim Yong-sam, saying he feels betrayed and disappointed by hard-line communists in North Korea, has ruled out further steps any time soon toward reconciliation and dialogue on the Korean peninsula, THE NEW YORK TIMES reported in its Sunday issue.

The daily said that in an interview at Chongwadae [presidential offices] with THE TIMES' Tokyo Bureau Chief Nicholas Kirstof Saturday, President Kim remarked that this is not an appropriate time to begin South-North dialogue given the uncertainty surrounding North Korea.

Saying that the Korean peninsula is the site of the greatest massing of troops anywhere on the globe, the president warned that while the border across the peninsula is no longer seen as a potential tripwire for World War III as it was a decade or two ago, it remains a possible battleground involving U.S. troops and perhaps even nuclear weapons.

THE TIMES saw that President Kim's statement suggested that in Korea at least, the Cold War is not only still alive but also risks breaking into a real war at any time.

"Our concern is that because of their desperation or frustration about their declining economy, they may start on a course of adventurous military provocation," THE TIMES quoted President Kim as saying.

Kim, it said, added that signs of this have already become apparent in the last few months, with North Korea's beefing up its armed forces and giving more power to the armed forces.

President Kim said he felt betrayed and disappointed at North Korea's breach of promise, stating that the North Koreans had promised that if they received rice, they would release the fishing boat they had seized and also stop broadcasting denunciations of the South Korean Government.

"North Korea is a very difficult partner to deal with. The ball is in North Korea's court now," he said.

For South Korea to resume rice shipments and other steps toward reconciliation, the president said, North Korea must first release the fishing boat and stop the broadcasts vilifying South Korea.

President Kim also said in the interview that the 37,000 U.S. troops in Korea are playing an important role in deterring invasion and war.

He added, however, that the Status of Forces Agreement [SOFA] should be revised, warning that unless the SOFA is amended, anti- Americanism would increase in South Korea.

Dailies See Instability in North

SK1310142195

[FBIS Editorial Report] Two local vernacular dailies on 13 October carry editorials discussing the seemingly unstable North Korean situation and stressing the need for preparedness to cope with the situation.

The moderate TONG-A ILBO carries on page 3 an 800-word editorial titled "The Situation in Pyongyang." The editorial begins by saying that "there seem to be unusual developments in North Korean society. The supreme leader Kim Chong-il's official succession to power is delayed, North Korea is suffering from serious food shortages and economic difficulties, an increasing number of North Korean citizens are deserting, and forces critical of the North Korean system are emerging." The editorial then notes the abnormality of the prolonged vacancy in North Korea's top posts, and expresses doubt that Kim Chong-il is in full control of the military. The editorial observes that "as long as Kim Chong-il continues to rule by Kim Il- song's behest, improvement of inter-Korean relations is not likely to occur. If the Kim Chong-il system remains unstable and confusion continues in North Korea, it will adversely affect the situation on the Korean Peninsula and Northeast Asia as a whole." The editorial concludes: "As long as North Korea continues rule by Kim Il-song's behest, we can hardly expect any change in North Korea's external policy. The government, therefore, ought to closely watch the unclear North Korea situation and push ahead with a prudent and consistent policy toward the North."

The moderate KYONGHYANG SINMUN carries on page 3 an 800-word editorial titled "We Should Properly Cope With North Korean Moves." The editorial begins by saying that "the recent North Korean trends which Kwon Yong-hae, director of the Agency for National Security Planning, disclosed at the parliamentary investigation of state affairs suggest that North Korea could be engulfed in serious confusion in the near future." The editorial then notes that Kim Chong-il has not assumed North Korea's top posts, leading observers to doubt whether Kim Chong-il holds full power, and says: "Some believe that practical North Korean power is now shared by the military, the party, and the Administration Council and that Kim Chong-il is a symbolic figure maintaining the balance of power among them." The editorial then observes: "The events in which Kim Chong- il made appearances were mostly connected with the military. This leads observers to speculate that Kim Chong-il is not in control of the military but is being carried on the back of the military." The editorial then notes the power vacuum and that the emergence of dissident forces in North Korea could bring about serious confusion, and urges the government to watch North Korean moves closely and establish preparedness to cope with any contingency.

President: Inter-Korean Ties Dependent on North

SK1610015695 Seoul YONHAP in English 0149 GMT 16 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 16 (YONHAP) — President Kim Yong-sam said Monday that his government will take measures to revitalize inter-Korean economic cooperation next year depending on North Korea's attitude toward it.

President Kim, in an administrative policy speech read by Prime Minister Yi Hong-ku at a plenary session of the National Assembly, said that the government would expand its measures to revitalize inter-Korean economic cooperation, including investment in the communist state, in line with North Korea's attitude towards the South.

"In particular, the government will continue to urge North Korea to change its attitudes and normalize government-level inter-Korean dialogues as soon as possible," said the president's statement, which was issued on the occasion of the government's submission of the 1996 Budget Bill to the regular National Assembly session.

However, the government is carefully watching North Korea's movements and is fully prepared for a possible emergency situation, he noted.

"We will continuously push for the modernization of military equipment and the specialization of military forces to maximize the war potential," according to the statement.

Meanwhile, the government will stabilize commodity prices this year, he added.

"The government will make every effort to prevent prices from rising more than 5 percent this year," the statement asserted. The chief executive said that his government was seeking to invest more than 8 trillion won in the social overhead capital sector and will work out a plan to build more local airports in line with a long- and medium-term airport development project. He also suggested developing Pusan and Kwangyang into world-class trade ports.

As for domestic politics, the president of the ruling Democratic Party said, "It is about time we open a horizon of new politics in which we can unite our opinions through dialogue and compromise."

He called on lawmakers to "liquidate old legacies of conflict and confrontation and to put an end to the regional hegemonism that might divide the nation.

"In that context, the coming general elections carry significance as they may determine the direction of our future politics."

Exit-Entry Control Office in Panmunjom Planned

SK1610021295 Seoul YONHAP in English 0208 GMT 16 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 16 (YONHAP) — The government will set up what it provisionally is calling "the South-North Exit-Entry Control Office" at the truce village of Panmunjom by expanding the existing "House of Freedom" into a six-story building with a floor space of 4,950 square meters at a cost of some 10 billion won (13 million U.S. dollars) by the end of 1997.

Informed officials said Monday the expansion is part of a plan preparing for increased inter-Korean exchanges of people and supplies through this village in two to three years when economic cooperation with North Korea, including assistance to the North's light-water nuclear reactor construction project, increases and the U.S. Government opens a liaison office in Pyongyang.

The U.S. Government has already requested that both Seoul and Pyongyang arrange for the movement of diplomatic pouches and diplomats to and from Pyongyang through Panmunjom when its liaison office opens in the North Korean capital, but the North Koreans have turned down the request on the ground that it is against the principle of equality since such passages through Panmunjom are not allowed even for countries which currently maintain diplomatic missions in Pyongyang, according to one of the officials.

The projected exit-entry control office in Panmunjom will be an octagonal building and will have support and service facilities for inter-Korean traffic and a press center on the first floor, multi- use space on the second floor, an inter-Korean liaison office on the third floor, a lookout platform and meeting rooms on the fourth floor and amenities on two basement levels.

The National Unification Board has set aside 2.85 billion won for the project in its budget for next year and will earmark 7.67 billion won more in its 1997 budget.

Last year, North Korea expanded its Panmungak office into a three-story building on the northern side of the Military Demarcation Line in Panmunjom to house what it calls "the Korean People's Army Mission to Panmunjom."

The House of Freedom on the southern side of the Demarcation Line was built in 1965 and, with its floor space of 280 square meters, has proven inadequate to handle the intermittent North-South traffic through the village so far.

South Koreans Taken as Hostages in Moscow

SK1410235095 Seoul KBS-1 Radio Network in Korean 2200 GMT 14 Oct 95

[YONHAP report from Moscow]

[FBIS Translated Text] A bus carrying a training group from Hyundai Electronics was hijacked by an armed terrorist at around 2230 [1330 GMT] our time on 14 October near the Kremlin in Moscow.

The terrorist demanded a ransom of $1 million and began a face off with police. At around 0130 on 15 October [1630 GMT on 14 October], he released Yun Tong-hyon, and has currently released 20 other people. The number of hostages held has now been reduced to seven.

The terrorist, who is known to be armed, was originally thought to have been a North Korean, but since the terrorist is wearing a mask, his correct nationality cannot be confirmed. It is known he is fluent in Russian.

According to the ROK Embassy in Moscow, the bus was hijacked by the terrorist while the 27-man training group from the Communications Operation Department of Hyundai Electronics, including the tour guide and bus driver, was boarding it in Red Square to go to a restaurant.

Immediately after the incident, the police, a special task force to quell terrorism which is affiliated with the Russian Internal Affairs Ministry, and agents of the State Security Bureau arrived at the site and are currently in a face off with the terrorist. Moscow Mayor (Ruskov) is also at the site.

As soon as news of the hijacking was heard, from 0200 [1700 GMT 14 October] a team was immediately established to deal with this incident, headed by Executive Director Kang Myong-ku, at the Seoul office of Hyundai Electronics in Chokson-tong, Chongno-ku. They have been in contact with their Moscow branch office and the ROK Embassy in Russia throughout the night to deal with the situation.

Fortunately, it is conveyed from Moscow that 20 employees were released and the rest who are still being held hostage are healthy. Hyundai Electronics immediately sent employees of its Russian branch office and its corporation in Germany to the site so this incident can be resolved smoothly.

The kidnapped employees are affiliated with the Ichon Communications Machine Operation Department. It was learned that they left for Germany on 13 October to make an industrial inspection of Germany's electronic company, Seimans, and that they were in Moscow to sightsee.

Hostages Rescued in Raid

SK1510012695 Seoul KBS-1 Radio Network in Korean 0100 GMT 15 Oct 95

[FBIS Translated Text] All of the 25 employees of Hyundai Electronics who had been taken hostage in Moscow have been released after nine hours.

Moscow police announced they sent commandos into the bus where the employees were being held hostage at 0900 [0000 GMT] this morning and rescued the remaining six hostages. The six hostages finally rescued were four Hyundai employees, an ROK student tour guide, and a Russian bus driver. Approximately 20 Russian commandos raided the bus through its windows. While a negotiator was distracting the criminal, the commanders raided the bus; the hostages fled through the rear. Moscow Mayor (Rutskov) said the criminal was killed in a fire fight and appeared to be a southern Russian.

Russia Apologizes for Incident

SK1610002395 Seoul YONHAP in English 0016 GMT 16 Oct 95

[FBIS Transcribed Text] Moscow, Oct. 15 (YONHAP) — The Russian Government apologized and expressed regret Sunday [15 October] morning for an incident in which a number of South Korean tourists were taken hostage by an armed Russian male Saturday afternoon.

In a telephone conversation with South Korean Ambassador Kim Suk- kyu, Russia's Deputy Foreign Minister Aleksandr Panov said, "On behalf of the Russian Government, I express regret over the hostage incident," the South Korean Embassy disclosed.

A group of 29 people, including 26 Hyundai Electronics Co. employees, were taken hostage by an armed Russian near Red Square Saturday afternoon but all were rescued by the Russian counter- terrorist force "Alpha" Sunday morning.

Panov was quoted as saying, "All Russian Government agencies involved did their best to ensure a safe rescue of the hostages and are pleased with the fact that all of them were freed safely in the end... And we are grateful for the close cooperation extended by the South Korean Embassy in the course of countering the incident."

Panov also praised "the composure" with which the Korean hostages behaved "under such difficult circumstances, without losing courage."

Ambassador Kim in return requested that the Russian Government endeavor to see that similar incidents do not recur in the future and that pertinent Russian authorities exert themselves to protect Korean tourists.

Foreign Ministry Thanks Russia

SK1610004595 Seoul YONHAP in English 0030 GMT 16 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 16 (YONHAP) — The South Korean Foreign Ministry on Monday expressed its gratitude to the Russian Government for its successful rescue Sunday morning of 27 South Korean tourists taken hostage in Moscow.

Foreign Ministry Spokesman So Tae-won said his ministry instructed the South Korean Embassy in Moscow to deliver South Korea's thanks to the Russian Government for the swift and successful rescue operation which freed all the Korean tourists safely.

So also said that his ministry, in cooperation with the Ministry of Culture and Sports, will strengthen security education programs for tourist agencies and businesses whose officials often travel abroad.

Kim Yong-sam on Japanese Need for Repentance

SK1510025695 Seoul YONHAP in English 0235 GMT 15 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 15 (YONHAP) — President Kim Yong-sam has said Japan should make full repentance for the mistake it made in the past.

"The cause of Korean division basically lies in the colonial rule of Korea by Japan," Kim said, adding that Japan should have a correct historical perception.

The president said during a dinner hosted by Prime Minister Yi Hong-ku Saturday [14 October] evening that he made these and other remarks in an interview he held with THE NEW YORK TIMES earlier in the day, according to Chief Secretary to the Prime Minister Song tae-ho.

President Kim also complained in the interview that Japan is assuming a posture of impediment to South Korea's unification efforts by, for instance, having negotiations with North Korea for rice delivery over the heads of South Korea.

The president also made it clear that he is against any amendment to the National Security Law [NSL].

Noting that North Korea provoked the Korean War and has not given up the scheme to accomplish what it failed to get in the war, Kim said, "You cannot regard the Korean truce line as something like the boundary between the United States and Canada."

Official To Visit PRC To Discuss Abduction

SK1610063495 Seoul TONG-A ILBO in Korean 16 Oct 95 p 2

[FBIS Translated Text] Seeing as the PRC has not notified us of the results of its investigation into the disappearance of Reverend An Sung-un, who is believed to have been abducted to North Korea nearly three months ago, the government has decided to send a government authority to the PRC to strongly protest and hold direct negotiations with Beijing.

In addition, because of the rapidly increasing number of accidents involving Korean tourists in and around Yanbian, the government will also emphasize the urgency to establish an ROK Consulate General in Shenyang, Liaoning Province to protect Koreans in Yanbian, and will convey its position that an ROK Consulate General should be established in Shenyang sometime in the first half of 1996.

To this end, the government will let Kim Ha-chung, director general of the Asian Affairs Bureau of the Foreign Ministry, who is now visiting Vietnam to attend an ROK-Vietnam policy consultation meeting, visit the PRC from 18 to 21 October to explain our government's position to Beijing and hold negotiations with the PRC Foreign Ministry on these issues.

Director General Kim will convey the government's concern that if the PRC fails to notify the ROK of the results of its investigation into the Reverend An case no later than the end of October, a delicate diplomatic issue may emerge between the two countries.

In particular, Director General Kim will see if the PRC has completed the investigation of Reverend An's case but is delaying notification of the result out of political consideration for North Korea.

Activists 'Intruded' Upon DLP Headquarters

SK1610021595 Seoul YONHAP in English 0210 GMT 16 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 16 (YONHAP) — A group of student activists intruded upon the ruling party's headquarters in Seoul around 9 AM [0000 GMT] Monday and are currently staging a demonstration calling for the punishment of former Presidents Chon Tu-hwan and No Tae-u.

The students from Hanchongnyon, the Korea Federation of University Student Councils, broke into the sixth floor of the Democratic Liberal Party (DLP) building in Yoido and are demanding the government legislate a special law regarding the May 18 Kwangju democratization movement of 1980 which was brutally suppressed by military forces.

The student activists had been sitting together in groups of three and four in front of the DLP's headquarters before they swarmed the building and went up to the sixth floor. They then broke windows, shouted anti-government slogans written on placards which read "Let's judge the DLP, down with President Kim Yong-sam who is protecting murderers."

Riot police were immediately deployed inside the DLP office around 9:25 AM to disperse the students who appealed to the people to join their movement seeking the resignation of the incumbent government and the dissolution of the DLP.

"Let's resolve the issue of the May 18 uprising by introducing the May 18 special law and special prosecutor's system," they urged in leaflets distributed around the party's building.

Using tear gas, riot police scattered the 13 student activists within 20 minutes from the time they began operations to disperse the demonstrators at 9:50 A.M.

There was no initial report of injuries from either side during the police operations. The students were all taken to the nearby Yongdungpo Police Station.

Earlier in the morning, the students entered the DLP headquarters by pretending to be ordinary citizens and then stormed into the DLP Policy Evaluation Committee chairman's office on the sixth floor.

Minister Stresses 'Food Security' at Meeting

SK1610110795 Seoul YONHAP in English 1047 GMT 16 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 16 (YONHAP) — Agriculture, Forestry and Fisheries Minister Choe In-ki stressed Monday that trade liberalization as being pursued by the World Trade Organization (WTO) should be promoted on the condition of respecting country efforts to ensure their own food security.

A report reaching his ministry in Seoul said that in a keynote speech at a meeting of the World Food Organization (FAO) held in Quebec, Canada, Minister Choe said there would definitely be a limit to the effort to attain worldwide food security in a circumstance where there lacks the ability among some countries to produce the proper level of basic foods on their own.

The FAO meeting, designed to mark the 50th anniversary of FAO, was attended by delegates from 169 FAO member countries.

Expressing support to the world food summit slated for November next year, the minister stressed the summit should become a productive occasion to exchange ideas of the political intent of resolving world food problems.

On Oct. 20, Minister Choe is expected to sign a Korea-Canada memorandum of understanding on technical cooperation in the areas of agriculture and food industry.

Choe would join the official suite of President Kim Yong-sam during the president's state visit to Canada before he would fly to Rome on Oct. 21 to attend a regular FAO session.

Burma

Sein Win Speaks at Trade Unions Conference

BK1510134895 (Internet) BurmaNet News in English 13 Oct 95

[Speech by Dr. Sein Win, prime minister of the National Coalition Government of the Union of Burma, to the Trade Unions Conference in Manila on 10 October]

[FBIS Transcribed Text] Mr Chairman, distinguished guests, respected delegates, ladies and gentlemen. Thank you for this opportunity to address you at this very important conference. I am confident that what will be discussed here will help to lay the foundation for the kind of Burma we want in the future.

The venue for this conference is very appropriate, being the home of the people's power revolution that shook the confidence of authoritarian governments everywhere. Since then the Philippines has been at the forefront of the fight for democracy in the region and in Burma. President Corazon Aquino was the only ASEAN leader to officially speak out while still in office on behalf of our leader Daw Aung San Suu Kyi. The Philippines was also the first ASEAN nation to officially welcome the Burmese democratic movement when I was invited here in July 1994. For that very significant step, we have to thank President Fidel Ramos and the Philippine Democratic Socialist Party headed by Norberto Gonzales. I feel very warmly welcomed here and (with strong supporters like Senator Blas Ople present) I look forward to the discussions we will be having.

But since I am addressing labour leaders who are known more for their action than their words, I will try to keep my remarks short and to the point.

First, I have to clarify that the National Coalition Government of the Union of Burma which I head is a provisional government. Based on the results of the 1990 general elections, we are working on behalf of Daw Aung San Suu Kyi and the people of Burma to end military rule and restore democracy in Burma. When our job is done, Daw Aung San Suu Kyi and the people will decide what kind of future they want for Burma. Therefore, what I say today cannot be taken as the final blueprint for Burma. It is, however, a strong indication of the direction in which I and my colleagues would like to see Burma take in the future. It will be the task of organizations like the Federation of Trade Unions, Burma, to ensure that what we would like to see happen in the future actually takes place. That is another reason why I am very encouraged by this conference and the strong support from the international trade union movement.

Second, I am aware that Burma has unfortunately become the frontline in a global battle between those who advocate efficient wealth making at any cost and those who advocate capitalism in an open and democratic society. On one side we have authoritarian governments who are aligned with powerful transnational economic actors who see democracy as an obstacle to profit-making. They prefer a controlled democracy where the economic actors can make profits efficiently with a minimum of fuss. In turn, the profits are shared with those in government to maintain their power and control. On the other side, we have the democratic countries and the dispossessed who believe that every individual should be able to have a say in how he wants to live and who he wants to rule over him. Given this new global conflict, we, the Burmese people, must carefully choose what we want and make sure we get it. But before I talk about the future, let us look at some recent events which have a direct bearing on our discussions. As you know, our leader Daw Aung San Suu Kyi was released from house arrest on 10 July. At that time many hoped that her release would be followed by a dialogue between her and SLORC [State Law and Order Restoration Council] which would in turn facilitate the process of national reconciliation and a peaceful transition to democracy. Three months have passed and no dialogue has been started. The special envoy of the United Nations Secretary General, Mr Alvaro de Soto, who went to Burma in August to encourage a dialogue, was ignored. Last week, speaking at the UN General Assembly, SLORC's Foreign Minister U Ohn Gyaw did not even bother to pay lip service to democratization and national reconciliation as he has always done in the past. Instead, he spoke about SLORC's agenda for a militarized unitary state and its program of national reconsolidation. From these indicators, it is clear that the release of Daw Aung San Suu Kyi was only a tactical move on the part of the generals. After her release earned SLORC acceptance into ASEAN and Japan re-initiated aid programs. SLORC has switched back to a hard line position. It has no intention of deviating from its plan to establish an Indonesia model of government where the military will have a central political role in Burma's future. It is not interested in reconciliation or a transition to democracy. Therefore, in our discussions, we should not hope for any short cut or quick fix solution to the problems we face in Burma. We must be prepared for a long struggle and we must be prepared to work hard to put into place all the building blocks necessary to achieve the kind of society we want.

What then, is the future society we want? Let us start by looking at what is happening in Burma today. Multinational corporations are being invited to exploit Burma's resources. These include oil and gas, minerals, timber, and fish. Tourism is being promoted in a big way. Industrial Parks and Free Export Zones are on the way. The export of labourers is also becoming a big business. What does all this mean for Burma? As labour leaders you are all very familiar with what it means but let me list for you some of the worse results in Burma. The generals who are also co-owners in many of the new ventures are becoming increasingly rich and powerful. Forced labour, child labour, unemployment and prostitution are on the rise. Basic commodities such as rice are becoming scarce as they are diverted for export. Farmers are becoming landless as farms are confiscated to be transformed into military agro-businesses for export. Worse still, the freehold farmer is being forced to become a slave labourer as the need for agro-business labourers increases. In other words, the number of people benefiting from the economy is becoming smaller and the gap between the haves and the have nots is becoming greater. It means that the generals are in the process of transforming Burma into an efficient profit-making machine for global entrepreneurs. If left unhindered, the generals and their economic partners could continue ruling Burma for at least the next 30 years.

If this SLORC-version of a future Burma is not what we want, what can we do about it? In the past, the people of Burma have resisted military domination by taking up arms. We have been at war with each other for 47 years. The option to change the system by force which was questionable at best, is becoming increasingly unviable. SLORC has purchased from China alone almost US$2 billion worth of modern arms and it is in the process of expanding the armed forces to a full strength of half-a-million men. In 1962, 1974 and 1988, the people of Burma tried to change the system through demonstrations. These were brutally crushed. In 1990, we tried again to change the system through the ballot box. We won 82% of the parliamentary seats but the election results were ignored by the military. More recently, Daw Aung San Suu Kyi has tried to change the system by offering to negotiate, to begin a dialogue with the generals. Again, they have fallen on deaf ears. What options do we have left? Although the situation looks bleak, it is not hopeless. We can still influence events. This is because, while SLORC wants to transform Burma into its own private club, it does not yet have the means to do so. In spite of the investments that seem to be pouring in, SLORC does not have enough to really make a difference. This is borne out by the most recent World Bank and Asian Development Bank Reports.

We must, therefore, concentrate on certain key areas. The armed democracy forces on Burma's borders have tried to slow down SLORC's military advances but we have not been very successful. Therefore, since 1993, the NCGUB and its allies have embarked on a program to rekindle political activity inside Burma through the Democratic Voice of Burma Radio and by providing training on democratic principles and non-violent but relatively safe ways to defy the military. I believe our program in this area needs to be expanded beyond the border areas deeper into Burma. Another way it can be expanded is to include in the training, more information about trade unions and the skills required to organize one. Our program has reached the major cities in Burma and I would like to suggest that you look at how we can step up our program, in your discussions.

Since 1990, my government has been concentrating on denying political legitimacy to SLORC in the international arena. We have been quite successful and this has had the effect of denying SLORC the foreign aid it needs to really transform Burma's economy. This political campaign combined with grassroots activists worldwide have also slowed down SLORC campaign to attract foreign investment and tourists. This is another major area in which I believe we will need more help. As SLORC gets desperate, it will intensify its campaign to gain legitimacy and aid. We have to be able to not only counter their efforts but to take the political initiative. We really appreciate the help labour unions have already given to my government, to the National League for Democracy in the Liberated Area and to the Federation of Trade Unions, Burma. But we are still very short of personnel and resources. I would like to request that in this meeting you seriously look at ways how you might be able to help us to continue denying SLORC the resources it needs to survive.

Another important point is that if we do not want the kind of Burma SLORC has in mind, we will need a very strong trade union movement. Some educated and talented Burmese will be seduced by SLORC's authoritarian free market economy and the opportunity to become rich but the vast majority of Burmese workers who will not benefit from the system will not be co-opted. That is where our strength lies and I believe that is where we need to concentrate our attention. Here I am not only talking about trade unions on the borders or in exile. As SLORC opens up more to foreign investments, I believe we should ensure that independent trade unions are allowed to be set up. I strongly urge that some mechanism be set up not only to coordinate with us and to liaise with the business community but also to be a resource centre for Burmese workers in the new industries and services being encouraged by SLORC.

Finally, in the short-term, I would like to suggest that the unions consider some type of strike action to send a signal to investors who are supporting slave labour in

Burma that their actions will not be tolerated and to give notice to SLORC that releasing Daw Aung San Suu Kyi and ignoring her is not acceptable. At the very least it should officially begin a dialogue with her as a prelude to a transition to democracy. SLORC has to learn that it cannot just make deals with investors and governments and ignore its workers.

Thank you once again for this opportunity and I look forward to further discussions with you.

General Maung Aye Leaves for UN Session

BK1610002595 Rangoon Radio Myanmar in Burmese 1330 GMT 15 Oct 95

[FBIS Translated Text] Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] and commander-in-chief of the Defense Services of the Union of Myanmar [Burma], saw off General Maung Aye, vice chairman of the SLORC, deputy commander-in-chief of the Defense Services, and commander-in-chief of the Army, who departed from Yangon [Rangoon] International Airport at 0845 today to attend a special session of the 50th UN General Assembly [UNGA] being held at the UN Headquarters in New York.

With Sr. Gen. Than Shwe at the airport were Lieutenant General Khin Nyunt, secretary-1 of the SLORC; Vice Admiral Maung Maung Khin and Lt. Gen. Tin Tun, SLORC members and deputy prime ministers; SLORC members, ministers, high-ranking military officers, deputy foreign minister and responsible personnel, Mr. Valeri Nazarov, dean of the diplomatic corps in Myanmar [Burma] and ambassador of the Russian Federation; Ms. Marilyn A. Meyers, U.S. charge d'affaires; Mr. Bernard Pottier, ambassador of France; Mr. Takashi Tajima, ambassador of Japan; Mr. Calvin Eu Mun Hoo, ambassador of Singapore; UNDP resident representative, and responsible personnel.

Gen. Maung Aye was accompanied by U Tha Tun, attorney general; Brigadier General Abel, minister of national planning and economic development; and U Khin Maung Thein, minister of energy.

The Myanmar delegates — U Ohn Gyaw, minister of foreign affairs; U Thaung, Myanmar ambassador to the United States of America; U Hla Maung, Myanmar ambassador to Britain; and U Win Mra, Myanmar permanent representative at the UN in New York — will join the delegation in New York.

The Myanmar delegation also includes Dr. May May Yee, adviser to the Ministry of Health; Daw Khin Swe Tun, chairman of the Myanmar Education Research Committee of the Education Ministry; Daw Khin Thein Yee, head of Department of Applied Business Study, Institute of Economics; U Kyaw Min, chief editor of the NEW LIGHT OF MYANMAR newspaper, senior officers of the Defense Ministry and SLORC Chairman Office, and responsible personnel of the Foreign Ministry.

Defection Sparks Fighting Between Ethnic Groups

BK1310061395 Bangkok BANGKOK POST in English 13 Oct 95 p 3

[Unattributed report]

[FBIS Transcribed Text] The defection of 300 fighters from the Rangoon-backed United Wa State Army to Khun Sa's camp sparked intense fighting yesterday.

Col Khun Duen, the Mong Tai Army [MTA] spokesman, said the Wa defectors were led by Mar La.

"They decided to defect while engaged in an offensive against our forces," he said. "They sent representatives to say they wanted to join us."

A Thai source reported fierce fighting between Wa and MTA forces near this border district.

"Fighting erupted after the rains held off since last Monday," he said. "There have been reports of heavy troop deployments in the area by both sides over the past few weeks."

Elements of the Naresuan Task Force have been sent to the Ban Pang Tong Dua and Pang Ton Ko areas near Doi Lang to prevent any incursions.

Brunei, Malaysia & Singapore

Malaysia

Kuala Lumpur To Reduce Troops in Bosnia

BK1610044995 Kuala Lumpur BERITA HARIAN in Malay 14 Oct 95

[Unattributed report — received via Internet]

[FBIS Translated Text] Subang, Friday — Malaysia will reduce the number of troops in Bosnia-Herzegovina from over 1,500 to 971 when the third Malaysian Battalion is replaced by the fourth Malaysian Battalion by the end of the year.

Defense Minister Datuk Syed Hamid Albar said the decision was made in line with current developments in the Balkan state.

"This is part of the reorganization of the entire United Nations Protection Force [UNPROFOR] in Bosnia-Herzegovina. All participating countries are also reducing the number of their troops.

"The United Nations is in the process of disbanding the original UNPROFOR and replacing it with a NATO-led force to implement a cease-fire there," he told reporters upon arriving at Kuala Lumpur International Airport in Subang today following a three-week tour of Europe.

Syed Hamid visited Turkey, Poland, Slovakia, Albania, Italy, and Sweden during the 20-day tour to strengthen defense relations with them.

During the tour, he observed T-72 armoured vehicles made in Poland and Slovakia and the submarine industry in Sweden.

He said Malaysia will redeploy the 1,500 troops in the NATO-led force when the force replaces Unprofor to restore peace in Bosnia- Herzegovina.

According to him, Malaysia has canceled its plan to increase the strength of the third Malaysian Battalion by 300 because all resolutions proposed by Malaysia have been implemented by the United Nations.

Asked about reports that Malaysia plans to buy five C-130H-30 Super Hercules transport planes from Lockheed Martin in the United States, he said an order has been placed and the planes are expected to arrive next month.

"Bought at a cost of RM [Malaysian ringgit] 425 million, the planes will be used by the Royal Malaysian Air Force for air transportation and surveillance.

"At present the Royal Malaysian Air Force already has nine transport planes, and the five new aircraft will increase its capabilities," he said.

On a report of the Public Accounts Committee that listed the Ministry of Defense among the five ministries that were poor at accounts management and the awarding of contracts, particularly those on housing projects for personnel, Syed Hamid said the contractors had good records when the selection was made.

"From now on, the Ministry of Defense will blacklist all contractors who fail to complete projects on time or in accordance with conditions and will deny them government contracts in the future."

Syed Hamid also said that the military personnel who reportedly created an uproar and attacked a police station in Arau, Perlis, two weeks ago are being held at their camp pending an investigation.

"The Ministry of Defense will not compromise over discipline. We will investigate the incident thoroughly and take action on the basis of the legal provisions," he said.

Army Gets Priority in Modernization Program

BK1610103295 Kuala Lumpur THE STAR in English 16 Oct 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — The army will get priority under the armed forces modernisation programme under the Seventh Malaysia Plan.

Defence Minister Datuk Syed Hamid Albar said the armed forces might purchase main battle tanks and a submarine to increase firepower and mobility.

He said the change in the armed forces' role from a counter insurgency to conventional force required new purchases to change its approach.

"We have infantry fighting vehicles and armoured personnel carriers now but there is definitely still a need for main battle tank capabilities as infantry support," he told reporters after opening ministry's family day here.

Under the Sixth Malaysia Plan, the RMAF [Royal Malaysian Air Force] got top priority in the modernisation programme with the purchase of 18 Russian MiG-29 fighter aircraft costing U.S.$1.6 billion (RM [Malaysian ringgit] 4.05 billion), eight F/A18 Hornets from the United States and 28 BaE Hawk Multi role fighters from Britain.

Five Super Hercules C-130H-30 transport aircraft were also ordered from Lockheed Aeronautical Systems last month which Syed Hamid said was to boost the capability of Malaysia's fledgling Rapid Deployment Force.

Syed Hamid said the ministry also wanted the navy to have sub- surface capabilities and were studying offers from Turkey, Sweden and Germany.

He said, however, that any purchase of new equipment would depend on the armed forces' immediate needs and the allocation received by the ministry.

Cambodia

Ranariddh Promises Reforms for Free Market

BK1610023695 Phnom Penh THE CAMBODIA TIMES in English 1-7 Oct 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Phnom Penh—First Prime Minister Prince Norodom Ranariddh reaffirmed the Government's commitment to a pro-business, free-market economy and promised to introduce further reforms.

"We believe the role of the Government should be one of a facilitator rather than a manager of the private sector," Prince Norodom Ranariddh said in a speech to businessmen delivered on his behalf by Tourism Minister Veng Sereivut.

Prince Ranariddh said the Government was relying on private business to create the wealth necessary to improve living conditions in this country.

"At a time of high unemployment and underemployment, we need the private sector to create jobs," he said.

But the prince said he knew the Government needed more than just its new foreign investment law under which foreign companies have agreed to invest US$2.5 billion since last August to make the Kingdom attractive and accessible to businesses.

"We know that a good and liberal investment law alone is not enough to promote business and economic development," he said.

"Sound financial and banking systems are needed to assist the growth of the private sector as well as the country's propensity to save.

"Reforms, new regulations and policies are necessary, but their implementation and enforcement are even more critical for effective economic development," he said.

Prince Ranariddh also said the Government was fully in favour of an open and competitive marketplace without protection for inefficient or weak local industry.

"I sincerely believe that protection carries a cost in the short and long run, for both the consumers and the national economy," he said. He was confident that local businessmen would be able to rise to the challenges of greater competition.

The Prince's speech was delivered at the opening of a two-day forum on the "Institutional Role of Business in Economic Development and the Political Process."

Ranariddh Reports on Singapore's Investments

BK1610023795 Phnom Penh THE CAMBODIA TIMES in English 1-7 Oct 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Singapore—Singapore was one of the biggest foreign investors in Cambodia in the first half of 1995, with approved investment from the island-state amounting to US$46 million during this period.

This was revealed by First Prime Minister Prince Norodom Ranariddh in an interview with a local daily in the republic.

Up till now, Singapore companies have poured in over US$250 million into the country in various businesses like brewery and a dry port. Total investments into the country in the same period was US$412 million, with about half of this from overseas. Thailand, Britain, Malaysia and Taiwan are the next biggest investors.

Prince Ranariddh, who was in Singapore for the Europe/East Asia Economic Summit, said the prospect was very good for further business growth with Singapore. He mentioned that senior members of Singapore Technologies Aerospace (STAe) had approached him to suggest setting up a second joint-venture national airline in the country.

The co-Prime Minister disclosed that he was favourable to the idea. While it may not be viable to have a second national flag carrier, a new regional airline to serve the Mekong Six is a new possibility, he said. And besides enhancing communications between the Mekong Six—Cambodia, Myanmar [Burma], Thailand, Laos, Vietnam and China's Yunnan province—the regional airline could serve as an important gateway to the world-famous Angkor Wat complex.

The present national flag carrier, Royal Air Cambodge is now on an expansion drive with its most recent plans including flights to new destinations in China and France, next year. The airline is a joint-venture between the Government and Malaysian Helicopter Services (MHS), the major shareholder of Malaysia Airlines (MAS). MHS's stake in the venture amounts to 40 percent.

Earlier Singapore Airlines (SIA) had held talks with the Government to set up an airline for the country recovering from two decades of strife, but the plan fell through, paving the way for MHS to come in with its joint-venture proposal.

Meanwhile, Prince Ranariddh also disclosed that a 200-hectare site near the capital has been reserved for Singapore, to develop into an industrial zone for small industry.

The co-Prime Minister told the business daily he had asked Singapore's Economic Development Board for help in developing the zone, which will represent Singapore's biggest foray into the Kingdom yet. He emphasised the nation's need for an industrial zone, saying that the manner in which light industry is coming up in the country borders on anarchy.

Plans are also afoot for a Singapore firm, Lee Rubber, to build a multi-million U.S. dollar latex factory and rubber plantation in Memot, Kampong Cham.

Prince Ranariddh said officials from the company would soon come over to the proposed site to do some preliminary studies on the project. "At present, we export our raw materials, which is in fact a wasteful, for the Kingdom [sentence as received]. The participation of foreign firms in setting up small factories would help us produce and export processed products."

Lee Rubber has been importing rubber from the Kingdom for several years.

Minister Rejects Report on Agents in Capital

BK1310114395 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 13 Oct 95 p 2

[Report by Pranet]

[FBIS Translated Text] Co-Minister of Interior Yu Hokkri told a group of reporters recently that the 200 criminals in Cambodia, who have been tracked down by the Interior Ministry and were mentioned in a report, are foreigners and are not Khmer Rouge [KR] rebels.

He also rejected a report by the Thai newspaper, THE NATION, quoting an unidentified interior official as saying that some 200 KR rebels have infiltrated Phnom Penh for the purpose of creating insecurity in the city. The official also told THE NATION that the KR had dug up their weapons caches for use in staging terrorist acts.

Yu Hokkri stressed that the report was confused about various criminal activities that are being investigated by the Interior Ministry. He conceded, however, that some KR agents may be in hiding in Phnom Penh, but there are not as many as 200.

Indonesia

Further Unrest Reported in East Timor

Relative Calm After Arrests

LD1310104795 Melbourne Radio Australia in English 0900 GMT 13 Oct 95

[FBIS Transcribed Text] The Indonesian military has confirmed that 120 youths have been arrested as part of a crackdown in East Timor. The arrests follow a week of violence in which at least two people died. From Jakarta, Michael Maher reports:

[Maher] The military crackdown in East Timor's capital, Dili, followed three days of clashes between pro- and anti-Indonesian youths. Armed forces patrols have swept through Dili's streets in an operation which Major General Abdul [word indistinct] says resulted in the arrest of 120 people. Gunfire was heard by residents of the capital during the military roundup but so far this week there have been only two confirmed deaths and more than 10 injuries. Relative calm returned to Dili today with shops reopening and more people appearing on the streets. However conditions in the former Portuguese colony are still being described as tense.

'Tension' Remains as Troops Patrol

LD1310162195 Lisbon RDP Antena 1 Radio Network in Portuguese 1200 GMT 13 Oct 95

[FBIS Translated Excerpt] There is still some tension in East Timor as Indonesian troops continue to patrol the streets of Dili and observe the many East Timorese returning home after the Our Lady of Fatima procession. More details from Antonio Sampaio in Australia:

[Sampaio] The Indonesian Army has already confirmed that at least 125 East Timorese were arrested but are denying that there were any deaths. Our sources in Dili have contradicted that report and claim that at least five East Timorese have been killed, 17 injured — two of them seriously — and hundreds arrested. According to the East Timorese, the situation has calmed down in the past few hours, following a procession to Our Lady of Fatima. The procession took some three hours to go through the streets of Santa Cruz, where the Indonesian soldiers last night shot at some of the East Timorese who are today present in the procession.

The last contact we had with Dili indicated that some tension was expected overnight, there is a heavy military presence in the streets, and they still had orders to shoot.

The home of at least one East Timorese family is still under siege, after five Dili University students sought refuge there. The university has been one of the main centers of dissent in the past few days.

Resistance sources are putting some blame on Australian authorities for the clashes. Members of the East Timorese community met today outside the Indonesian Consulate in Sydney to protest against the Indonesian military presence in East Timor. [passage omitted]

Many of the demonstrators are refugees waiting for a response to their asylum request. [passage omitted]

The East Timorese in Australia are criticizing the Australian Government for having announced this week that it intends to deport over 1,300 East Timorese. [passage omitted]

Security Forces Make More Arrests

LD1410123895 Melbourne Radio Australia in English 1100 GMT 14 Oct 95

[FBIS Transcribed Text]1 Indonesian security officials have detained 10 more East Timorese, taking to 130 the number arrested after a week of violent clashes which left two dead and at least two dozen injured. The police chief in Dili, Col Andreas Sugianto, says the security forces are conducting further searches for those responsible for the unrest. He said several people were slightly injured while being placed under arrest. Col Andreas Sugianto said [words indistinct] are still under investigation for crimes including causing property damage, assault and arson.

Violent clashes involving hundreds of youths erupted last Monday, reportedly after security officials detained youths allegedly involved in disturbances in Dili last month. Those disturbances were sparked when a Muslim official insulted the former Portuguese territory's dominant Catholic religion.

Resistance Reports 200 Injuries

LD1510151295 Lisbon RDP Antena 1 Radio Network in Portuguese 1350 GMT 15 Oct 95

[FBIS Translated Text] Indonesian troops are back on the streets in Dili, capital of East Timor. This morning residents were once again pursued by the Indonesian forces. The number of injured stands at over 200. Joao Carrascalao of Timorese Democratic Union in Australia has been in contact with the resistance and reports on the situation:

[Begin Carrascalao recording] I have just received a phone call from one of the members of the permanent committee of the clandestine front, whose code name is Lulic, he told me that the Belize church was surrounded after mass. He said that shots were fired and people were persecuted.

He told me there were over 200 people injured. He added there were a number of deaths, but did not give me any names. There were over 200 injuries, there were students with broken heads, people were bleeding, and people were being mistreated. He also said there was shooting.

He made a direct accusation against Abilio Osorio, governor of East Timor. He accused him of being with the soldiers, practically, trying to crush the Timorese youth. [end recording]

Minister: Rioting 'Engineered'

BK1310023795 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 13 Oct 95

[FBIS Translated Text] The government will tackle a series of incidents that took place in East Timor this week. Foreign Minister Ali Alatas told this to reporters after opening the first meeting of the ASEAN Standing Committee in Jakarta yesterday. He said the rioting in East Timor last Tuesday and Wednesday was engineered by foreign groups. Accordingly, the government will adopt existing measures to settle the matter.

According to Ali Alatas, various anti-Indonesian groups abroad are inciting anti-integration groups in East Timor to draw international attention.

The rioting that left two persons killed in Dili last Monday was a conflict between anti-integration groups. The conflict was believed to have been triggered by an unfair distribution of operational funds obtained from abroad among the integration groups.

Suharto Leaves To Attend NAM Summit

BK1510150795 Jakarta ANTARA in Indonesian 1350 GMT 15 Oct 95

[FBIS Translated Text] Jakarta, 15 October (ANTARA) — President Suharto left Indonesia on Sunday evening on a trip that will include Colombia, the United States and Suriname. In Colombia he will attend the upcoming NAM [Nonaligned Movement] summit, in the United States he will attend the 50th United Nations anniversary, and he will conclude his trip by paying a state visit to Suriname.

The head of state, who was accompanied by his wife, Mrs. Tien Suharto; Minister/State Secretary Murdiono; and a number of other officials, were seen off by Vice President Sutrisno. The president will return on 1 November. This is the president's longest tour abroad, which will last 18 days.

Apart from attending the NAM summit in Cartagena, Colombia, and attending the UN anniversary in New York, another important event will be President Suharto's meeting with the President of the United States Bill Clinton at the White House on Friday 27 October at 1000 am local time or 2100 West Indonesia Time.

The president and his delegation will make stopovers at Guam and Honolulu to refuel prior to continuing their flight to Cartagena. The flight time on Indonesia's Garuda aircraft to Guam will be approximately 6 hours and 20 minutes, while the flight time from Guam to Honolulu will be about 7 hours and 25 minutes.

From Honolulu, the Garuda aircraft will then fly to Cancun, Mexico. That flight duration is about eight hours and 30 minutes. After the 22-hour long flight, the delegation will make a stopover at Cancun.

The head of state will meet with 12 other heads of state while attending the NAM summit on 19-20 October. It was predicted that there would be even more bilateral meetings than expected.

The head of state will depart for New York on Friday (20 October) to attend the UN anniversary on 24 October. The delegation was expected to stay there for six days.

While in New York, the president will meet with 13 national leaders. The president will depart for Washington DC on 26 October. The head of state will have a tight schedule during his one-night stay.

The president will meet well-known U.S. businessmen who are affiliated with the Asia Society, a forum that promotes Asia to U.S. society.

The president will also be the guest of honor of a nongovernmental organization, CARE, which all along has extended great assistance to Indonesia. His meeting with President Bill Clinton at the White House on 27 October is expected to last about 45 minutes. However, the issues that the two presidents will discuss still remain unknown.

After the meeting, the delegation will depart for Suriname honoring an invitation extended by the Suriname Government.

While in Paramaribo, the capital of Suriname, on 27 October, the president will hold meetings with the local officials and also the Surinamese Javanese community. The delegation will depart Suriname on 29 October and is expected to arrive home on 1 November.

Police Seize Pirated Computer Software

BK1410093895 Jakarta ANTARA in Indonesian 1543 GMT 13 Oct 95

[FBIS Translated Excerpt] Jakarta, 13 Oct (ANTARA) — Five people were arrested when the National Police Economic and Crime Investigation Unit, led by Police Lieutenant Colonel Nian Syafuddin, raided a computer shop at Orion Plaza in Jakarta in a recent operation.

Police Brigadier General Ketut Ratta, head of the National Police Information Unit, told journalists in the presence of Lt. Gen. Nian on Friday that the syndicate was involved in pirating computer programs. It was discovered after the police received a report from the Business Software Alliance, BSA, Company in the United States saying that they were facing business losses because their copyright computer programs had been pirated.

Brig. Gen. Ratta said that the BSA discovered their programs had been pirated after doing a market survey on their products. "The loss faced by BSA is about 7 billion rupiah and the act of pirating their programs is against the Copyright Law No. 7/1987," he added.

The programs that had been pirated were, among others, "Auto Best" and "Lotus", both produced by the BSA company. The syndicate had committed the offenses of producing counterfeit copies of diskettes and compact disks. [passage omitted on prices of pirated products]

Philippines

Iran Assures No Arms, Assistance for Extremists

BK1610084995 Manila MANILA STANDARD in English 11 Oct 95 p 7

[Report by Joem H. Macaspac]

[FBIS Transcribed Text] Iranian President 'Ali Akbar Hashemi-Rafsanjani yesterday assured that his country will not provide arms nor financing to Muslim extremists in the Philippines.

At the same time, Rafsanjani, who is in Manila for a three-day official visit said that his country will support President Ramos' peace initiatives so that the secessionist war in Southern Philippines will end.

Rafsanjani said his country is prepared to provide its services so that the Philippines can achieve a "just and honorable resolution to the problems in the south. [no closing quotation mark as published]

Iran, together with Libya and Iraq, were earlier tagged by the US as sponsors of international terrorism providing arms and money to extremists launching terrorist attacks in Europe and the US.

President Ramos, during their one-to-one meeting asked Iran to actively participate in the peace negotiations with the Moro National Liberation Front and bring to an end the decades old war with the Muslim secessionists.

Aside from his assurances that Iran will not provide support to terrorists in the Philippines, including the dreaded Abu Sayyaf, Rafsanjani said that his country is prepared to provide assistance to the Philippines in "improving the situation of Filipino Moslems."

The two countries entered into seven major agreements. These are an agreement on Maritime Merchant Shipping; a Memorandum of Under-standing on International Road, Rail Transport and Transit between the two countries; Agreement on the promotion and protection of investments; a memorandum of understanding on environment-protection; a memorandum of understanding on technical cooperation on fisheries; a review of the agreed minutes of the first meeting of the joint RP [Republic of the Philippines]-Iran Development Commission; and an agreement to develop energy sources.

Iran also assured the Philippines of a steady supply of oil and oil products as well as of a wider market for Philippine exports including coconut oil and semi conductors.

Mr. Ramos proposed that Iran continue to be the Philippine's gateway to the Middle East. On the other, the Philippines should be Iran's partner in promoting Iranian-made goods in the growing Southeast Asian market.

Government, Rebels Sign Peace Agreement

BK1310133295 Quezon City Radio Filipinas in English 0230 GMT 13 Oct 95

[FBIS Transcribed Text] The military rebels group, the Rebolusyonaryong Alyansang Makabansa [Revolutionary Nationalist Alliance] or RAM, and the government signed this morning a general agreement for peace, which grants a general and unconditional amnesty for all crimes and offenses committed by military rebels in pursuit of their political beliefs.

The agreement defines and lists down the crimes and offenses covered by the amnesty grant. It also includes steps to be taken by the government—such as the reintegration of the former military rebels into the Armed Forces—and by the RAM, such as the turnover of their weapons.

Under the eight-page agreement, the president will issue a presidential proclamation, which shall take effect after concurrence by Congress.

The offenses covered by the amnesty include: rebellion or insurrection; coup d'etat; conspiracy and proposal to commit rebellion or insurrection or coup d'etat; disloyalty of public officers or employees; inciting to rebellion or insurrection; sedition; illegal assembly; direct assault; deserters; and disobedience to a person in authority. Also covered are (?alarms) and scandals, as well as illegal possession of firearms, ammunitions, and explosives in connection with the crime of rebellion.

RAM supporters who were charged with infidelity in custody of a RAM prisoner, although released, a RAM prisoner without proper authority are also covered by the amnesty grant. [sentence as heard] Desertion of post, absence without leave, failure to suppress sedition, and conduct unbecoming of a soldier are also covered by the agreement.

RAM will submit a list of its members who will be covered by the amnesty. A RAM supporter or member who committed the crimes listed in the agreement, but whose name is not in the RAM list, may apply individually for the amnesty.

The government panel also agreed to extend the cutoff date of the amnesty period to October 13, 1995 instead of December 23, 1992. This means that crimes committed by RAM members or supporters between February 22, 1986 and October 13, 1995 can be covered by amnesty.

The parties agreed that there shall be a complete and permanent cessation of hostilities, which will cover not only armed activities and conflicts but other acts considered as hostile such as surveillance, special operations, unlawful arrests and seizure.

Communists Drop Demand for Release of Bello

BK1610040695 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 15 Oct 95

[FBIS Translated Text] There is now a possibility that peace talks between the communist rebels and the government could be resumed.

According to [communist] panel member Silvestre Bello III, the CPP-NDF [Communist Party of the Philippines-National Democratic Front] has stopped demanding the release of NPA [New People's Army] leader Sotero Llamas. According to Bello, demands for Llamas' release were not included in the communications sent to his office. Llamas was an NPA leader captured by the authorities several months ago. The rebels had earlier used Llamas' release as a condition to continue the talks.

According to the CPP, Llamas is part of their peace panel; thus he should be included among those who should not be arrested. Llamas is currently in jail for several crimes.

MNLF Denies Harboring Abu Sayyaf Members

BK1610063195 Quezon City MALAYA in English 9 Oct 95 p 2

[Report by Al Jacinto]

[FBIS Transcribed Text] Isabela, Basilan — The Moro National Liberation Front [MNLF] in Basilan Province denied allegations by the military that Bangsa Moro commanders are coddling Abu Sayyaf members hunted by government troops for the ambush-slaying of six soldiers in Tipo-Tipo last week.

The MNLF leader in Tuburan Municipality, commander Sulaiman Alih categorically denied the MNLF's role in the ambush after days of silence on the matter.

In a recent live interview over a local radio station in Zamboanga City, Alih said the MNLF in Tuburan has been strictly observing the cease-fire between the MNLF and the military to give way to the peace negotiations.

Alih urged the military not to make allegations that may lead to misencounters between the AFP [Armed Forces of the Philippines] and the MNLF because innocent civilians will be hurt in the process.

Alih is a former Tuburan councilor who went into hiding after being tagged by the military as the mastermind in the ambush-slay of 21 soldiers in Tuburan who were invited to a town fiesta in 1992.

Abu Sayyaf commander Montong Salih also denied participation in the slaying of the six soldiers and instead pointed to another lost command in the area as responsible for the ambush that killed Army Lts. William Abaya and Jeffrey Magalong and four enlisted men.

Thailand

U.S. To Consider Amendment to Amity Treaty

BK1410121595 Bangkok THAILAND TIMES in English 14 Oct 95 p A1

[Unattributed report]

[FBIS Transcribed Text] Bangkok — US Commerce Secretary Ron Brown has assured Finance Minister Surakiat Sathianthai that the US will consider an amendment to the long-existing Thai-US Amity Treaty, according to the Finance Ministry's statement released yesterday.

During the meeting of the International Bank for Reconstruction and Development and International Monetary Fund (IBRD/IMF), held in Washington this week, Surakiat proposed that amendments should be made to the agreement.

The Thai minister also proposed to "consider the possibility" of creating a new bilateral economic agreement in compliance with the changing world economy.

"Brown said the US Commerce Department would list Thailand within the emerging markets group, ensuring Thailand is a major country in which US investors will support with investments," according to the statement.

As a result of this progress, both sides have agreed to a drafting of the taxation subcontract as soon as possible in order to enhance US investments in Thailand. "Both sides also discussed the problem of customs duty, which still affects certain industrial goods. If the problem is solved it will benefit the investors of both countries."

The US Commerce Department is responsible for both the investment and trading issues.

On Wednesday, Surakiat met with Senator Ernest Hollings, at the US Senators Office, to discuss the double taxation sub-contract.

"Also discussed was the amendment of the Thai-US Amity Treaty, which has been enforced for a long time. It has to be amended in order to support bilateral cooperation on various issues, such as technology transfer, investment and the development of the Indochina region. The treaty has to be amended, in line with the dynamic changes occurring in the world economy," according to the statement.

Hollings, a former South Carolina governor, was elected as a senator on five separate occasions. He has played a vital role in the drafting of the Gramm-Rudman-Hollings Act, which aims at helping reduce the US trade deficit with other countries.

Hollings, a senior Democrat, is a leading adviser to President Bill Clinton.

Meanwhile, at the 1995 IBRD/IMF Joint Annual Meeting, held on the same day, Surakiat, in his capacity as the governor of the Bank for Thailand, stated that the US and the world community would not be disappointed by Thailand's economic policy.

"The Thai economy Will maintain its stability and post high level growth figure, since it has a long-term savings measures and policies to push financial liberalization. More importantly, Thailand has consistently adhered to fiscal and monetary prudence.

"The Thai Finance Ministry supports both commercial banks and the raising of funds to help alleviate poverty. Thailand also wants to ensure funds are available to improve its roles in the prevention of financial fluctuations within Thailand and help boost the world's efficiently as a whole," the statement said.

During the meetings, Surakiat said Thailand has pursued broad and deep financial strategies, with the aim of encouraging the generation of long term funds, removing financial limitations and upgrading the Thai financial markets to an international level.

According to Surakiat's speech, the government is continuing to encourage more participation by institutional investors in the Thai financial markets, by granting additional mutual fund and private fund management licenses to qualified financial institutions.

The Government Pension Fund is also being set up and expects to take an active part in the capital market, he added.

In addition, more private firms and public enterprises have been encouraged to set up their own provident funds.

Of particular interest to foreign investors is the Thai Trust Fund, which will enable foreigners to circumvent the existing shareholding limitation of 25 percent.

Regarding financial liberalization, Surakiat said a numbers of foreign banks currently operating the international banking business in Thailand,, known as BIBF, are being upgraded into full-service branch status. In addition, he added more commercial banks would also be established.

These liberalization measures are a step towards establishing Thailand as the financial center of the region," he stressed.

Regarding the adherence to fiscal and monetary prudence, Surakiat said the government budget has shown a surplus for eight consecutive years.

"Thailand's exchange rate system has served the country over many years, in terms of ensuring a steady growth in exports and maintaining market confidence. The present system, one of basket peg, together with fiscal and monetary discipline, will continue to be the anchor of Thailand's economic growth and stability." he said.

Police Report U.S. Warning on Russian Gangs

BK1610071595 Bangkok THE NATION in English 16 Oct 95 pp A1, A3

[FBIS Transcribed Excerpt] The United States has warned Thailand to watch out for Russian criminal gangs who might use the Kingdom as a base for global operations, a senior Thai police officer said.

The US Drug Enforcement Administration (DEA) has also urged Thailand to monitor Russian bank account holders, particularly those who make frequent large cash deposits and withdrawals, said Pol Co [Police Colonel] Thiraphan Premphuti, commander of Subdivision 3 of the Economic Crime Investigation Division.

Thiraphan returned recently from an international conference on crime prevention, held in Honolulu from Sept 24-29.

He said US law enforcement officers told the forum participants that most Russian gangs comprised former soldiers who were pulled out of the former East Germany following reunification. These troops were later discharged from military duty because the government had no money to pay them.

Some of the soldiers allegedly stole weapons from their country's arms stockpiles and either sold them or are now using them for criminal activities.

Many have reportedly established crime networks based in major US cities such as New York, Los Angeles and Chicago and in some European countries, he said.

Most of the gangs are trying to expand their activities to Asia, he added.

Thiraphan said the gangs were usually involved in narcotics and money laundering, and were violent, often resorting to brutal killings.

The US has warned the international community to watch out for these crime networks and to monitor any Russians who frequently make large bank deposits and withdrawals, he said.

"Those (Russians) who do so could be involved in a Russian criminal gang and must be closely watched," he explained.

That drug suppression officers, said Thiraphan, are watching the situation closely and have requested cooperation from various financial institutes in disclosing any information that could relate to Russian criminal activities.

"We (Thai officers) are very concerned about this because these Russian gangs have expanded very rapidly and could have already spread their activities to Asian countries, especially their drug trade," he added.

The police commander said the DEA was confident that some of the gangs have used Thailand as a base or a transit point to the Kingdom's neighbours, such as Cambodia and Vietnam. Vietnam has pledged to cooperate closely with Thailand in order to crack down on the criminal activities, he added.

The Russian mafia usually use money from illegal arms sales to dispatch members to set up international networks, Thiraphan said.

The US would this month provide Thailand with a list of known Russian gang members, their photos and information about their activities, he said.

Thailand would request Russia's cooperation, as it has extensive information on these gangs.

Moscow is ready to cooperate with the international community in cracking down on these criminals, Thiraphan added. [passage omitted]

Foreign Minister Eases Ban on Australian Media

BK1510105795 Bangkok THE SUNDAY NATION in English 15 Oct 95 p A3

[Unattributed report]

[FBIS Transcribed Text] Australian journalists who are currently applying for work visas in Thailand will be given six-month permits, half the time normally allowed for expatriates, Foreign Minister M.R. Kasemsamoson Kasemsi announced yesterday.

But the Ministry will not renew visas of correspondents already working here for the Australian media, he said.

Yesterday's partial lifting of the blanket visa ban was seen as a move to ease diplomatic tensions over the issue.

Kasemsamoson said the Ministry is in the process of easing the ban, in effect since August, so Australian journalists can enter Thailand to cover the solar eclipse on Oct 24.

The ban came in response to the publication in two Australian newspapers last December of a cartoon considered disrespectful to His Majesty the King, and a subsequent commentary on a Melbourne radio station.

The cartoon concerned an Australian jailed on drug charges in Thailand who was pardoned by the King. It was originally published in the Melbourne daily The Age and reprinted in The Daily Telegraph-Mirror in Sydney.

Kasemsamoson confirmed that Australian Foreign Minister Gareth Evans raised the issue with him when they met recently at the UN General Assembly session in New York. Evans was quoted as saying the Australian publications acted out of ignorance.

The ban on the press corps of an entire country is one of the most serious measures ever taken against the foreign media in Thailand.

Editorial Critical of Ban on Australian Journalists

BK1310051195 Bangkok THE NATION in English 13 Oct 95 p 4

[Editorial: "Why Ban All Australian Journalists?"]

[FBIS Transcribed Text] It is indeed unfortunate that the entire Australian press corps has been slapped with a visa ban by the Thai Foreign Ministry. Equally disturbing is the cartoon accompanying a story last December in THE AGE of MELBOURNE after an Australian jailed on drug charges in Bangkok was released as a result of a royal pardon on the occasion of His Majesty the King's birthday. The cartoon was later reprinted in THE DAILY TELEGRAPH-MIRROR despite a protest note by the Foreign Ministry.

Also, the Melbourne-based radio station 3AW had joined in the fray by soliciting comments on Thai Royalty.

According to the ministry, the ban became effective in August after Bangkok "failed to prevent the Australian media from publishing and airing inaccurate and disrespectful news on the king".

"The Australian press should be responsible for their colleagues, no matter where they work, whether in Thailand or Australia," a Foreign Ministry official told this paper on Wednesday.

The impending question now is whether a blanket ban on all Australian journalists is warranted following the culturally insensitive acts of a few black sheep in the profession.

One might recall a similar move carried out by Indonesia's President Suharto in the mid-1980's when the Australian press began carrying articles of the first family's wealth and personal business connections. All Australian journalists were banned entry into Indonesia. But the move, in fact, backfired. It put the Suharto government in a very bad light internationally, and depicted the regime as an authoritarian one that tolerated no criticism.

On the other hand, there are lessons to be learned in the way Malaysian Prime Minister Mahathir Mohamad has been dealing with the Australian press. In 1993, when Australian Prime Minister Paul Keating called him "recalcitrant" for boycotting the Asia-Pacific Economic Cooperation (APEC) leaders' summit in Seattle, the Malaysian premier did not lose his head and ban all Australian journalists from entering the country despite the adverse reports and columns appearing in the Australian press.

When Australian television stations aired the controversial "Turtle Beach" series, a local production portraying Malaysian authorities as lacking any compunction whatsoever when they fired upon Vietnamese boat people trying to land on Malaysian beaches, Kuala Lumpur again tried to resolve things diplomatically.

When an official protest was lodged with Canberra, Premier Keating said it was not within the power of the Australian Government to control the media in his country. Mahathir accepted the explanation, and when pressed for a comment, just said "Australian journalists have no manners".

It rankles the mind as to why proper diplomatic channels were not used in bringing up the issue of the cartoon which appeared in THE AGE and DAILY TELEGRAPH-MIRROR. Have bilateral ties between Thailand and Australia sunk to such a low level that Australian journalists now need to be barred from entering the country? What about the special relationship between the two countries that has been touted all along by both Bangkok and Canberra? Has it broken down? What about the Australian investment in Thailand, and Australian contributions to regional peace and cooperation? Don't they matter at all?

We do agree that Australian newspaper editors need to be more sensitive to cultures in the Asia-Pacific region, especially at a time when Canberra has the intention of gravitating towards Asia. This cannot, however, be achieved overnight, especially when media barons like Rupert Murdoch have their own hidden agenda.

But slapping visa curbs on Australian journalists is not the way to go about it. Other avenues should have been explored and the very fact that they were not is a sad indication of the shortsightedness of the Foreign Ministry in an era when Thailand is supposed to be open-minded and democratic.

Editorial Views Banhan's Party Problems

BK1510104395 Bangkok THE SUNDAY POST in English 15 Oct 95 p 22

[Editorial: "Captain Banhan Must Regain Control of Government Ship"]

[FBIS Transcribed Text] With Parliament in recess, we are left with a question of judgment: How can Prime Minister Banhan Sinlapa- acha reconcile his political principles with the high-handed attitudes of self-serving politicians in his Chat Thai Party [CPT]?

There seems to be no clear answer to such an important question, as powerful CTP members continue to undermine his authority and legitimacy to govern. Banhan may have tried to project himself as the person in charge, but recent events in the CTP were not encouraging.

Wani Hansawat, a CTP MP for Pathum Thani, openly criticised the prime minister for not supporting Commerce Minister Chuchip Hansawat, her relative and MP from the same province, in his attempt to appoint a new permanent secretary.

Banhan reportedly favoured Foreign Trade Department director-general Oranut Osathanon, while Chuchip insisted on appointing Internal Trade Department director-general Somphon Kiatphaibun, who has less senior than Mrs Oranut. One of the reasons given by Mr Chuchip was that he doesn't like to work with a woman.

It is understandable that Banhan had to back down to preserve unity in his Chat Thai Party, but the fight for supremacy has affected the morale of permanent officials. Apart from the Commerce Ministry fiasco, Chat Thai politicians have drawn the ire of ministerial officials elsewhere.

Wirakon Khamprakop, Chat Thai MP for Nakhon Sawan, has reportedly threatened to transfer Ambassador to Manila Surayut Phromphot for allegedly having failed to show him proper respect during Banhan's state visit to the Philippines.

The situation was made worse by Public Health Minister Sano Thianthong's mishandling of the Tele-medicine project, and his audacity to question the ethics of respectable Public Health officials.

All this does not augur well for Banhan and his Chat Thai Party. The public is getting the impression that powerful Chat Thai figures are going their own ways, and doing what they please without respect for the party leader.

At issue is not only Banhan's leadership, but the factionalism and patronage system in his party. Chat Thai is made up of several factions, each fighting for their own interests. To maintain some semblance of unity, Banhan has had to resort to compromise. But this was done at the expense of his credibility.

Already bogged down by national problems, Banhan cannot afford to let a handful of self-serving politicians undermine his authority to govern. The parliament recess at least offers Banhan the chance of mending ties with CTP faction leaders and trying to reach a settlement that will pacify those politicians who keep the conflict burning.

There has been talk about Banhan relinquishing his Interior Ministry post to put an end to infighting in the CTP. The Thoet Thai faction is reportedly eyeing the coveted post, but Banhan is still keeping his cards close to his chest.

A Cabinet reshuffle seems a good way out. One possibility is for Deputy Premier and Phalang Dharma Party leader Thaksin Chinnawat to succeed Banhan as Interior Minister. The idea was said to be agreeable to the Thoet Thai faction, which is believed to have special ties with Thaksin.

Ineffective ministers could be shunted to less important posts and more competent people put in their place. Some of the seven Prime Minister's Office ministers could be given a more active role in key ministries which now do not have deputy ministers. Such changes could bring vitality to the Banhan administration and enable it to tackle more urgent problems affecting the welfare of the public, including the current floods.

The country's economic development cannot be maintained with an endless series of political manoeuvring. The power struggle and infighting in the Chat Thai Party has caused members of the public, and the business community in particular, to feel uneasy. Banhan must act now to restore public confidence in his administration.

Separatist Leader in South Surrenders to Governor

BK1410100195 Bangkok BANGKOK POST in English 14 Oct 95 p 7

[Unattributed report]

[FBIS Transcribed Text] Narathiwat — A leader of the Barisan Revolusi National separatist movement and his wife surrendered to Governor Sawat Kritratchattanan yesterday.

Jeharong Jagua, alias Jeharong Yama, 34, said he had been with the outlawed group for 20 years but was fed up with hiding in the jungle.

Vietnam

President Le Duc Anh Welcomed in Havana

BK1310152695 Hanoi VNA in English 1233 GMT 13 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct.13 — President Le Duc Anh, and his wife arrived in Havana yesterday morning beginning an official friendship visit to Cuba at the invitation of Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party and president of the Council of the State and of the Council of Ministers of Cuba.

President Le Duc Anh was accompanied by Foreign Minister Nguyen Manh Cam, Head of the President's Office Nguyen Viet Dzung, Deputy Foreign Minister Nguyen Dinh Bin, Deputy Minister of the Interior Le Minh Huong, Vice Chairman of the State Planning Committee Vo Hong Phuc, Deputy Trade Minister Truong Dinh Tuyen and Vietnamese Ambassador to Cuba Le Duc Cang.

President Le Duc Anh and his entourage were warmly welcomed at an official state ceremony held at the Jose Marti International Airport by President Fidel Castro Ruz and many Cuban party and state officials.

Later President Anh and his party were received at the government guest house by President Castro who described the Vietnamese leader's visit as a vivid manifestation of the development and consolidation of Vietnam-Cuba comradeship and fraternity,and a great encouragement to Cuba in its struggle to defend national independence, sovereignty, honour, and dignity and in the cause of building Cuba into a socialist country.

President Le Duc Anh expressed his pleasure at visiting the beautiful and heroic country of Cuba and conveyed friendly greetings from the 74 million Vietnamese people to the entire Cuban people.

The Vietnamese leader also expressed his belief that the visit would help further promote and consolidate the Vietnam-Cuba relationship of friendship, solidarity, cooperation and mutual assistance.

Holds Talks with Castro

BK1310160295 Hanoi VNA in English 1506 GMT 13 Oct 95

[FBIS Transcribed Text] Hanoi VNA October 13 — A broad range of regional and international issues of common concerns has been brought up for talks between Cuban President Fidel Castro and his Vietnamese counterpart Le Duc Anh, which took place in Havana later Thursday.

The two leaders informed each other of the socio-economic development and foreign policy of their respective countries. President Le Duc Anh said: 'Vietnam stands for close combination between the national and epochal strengths and firmly maintains the principles of independence, sovereignty, unity and socialism while carrying out its foreign policy of independence, self reliance, openness, diversification and multilateralization of relationship with all nations.'

Mr. Le Duc Anh reiterated that the Vietnamese people have always been grateful to President Fidel Castro, the party, the government and the people of Cuba for their wholehearted support and valuable assistance given to the Vietnamese people in their past struggle for national liberation and reunification as well as the present national construction and defence.

President Fidel Castro underlined paramount difficulties and challenges that Cuba has to surpass due to [words indistinct]. He also made clear the signs of recovery in the socio-economic situation in his country thanks to sustained efforts made by the Cuban party, government and people to realise new policies characterized by the open-door direction in various sectors such as agriculture, investment, tourism, etc.

He expressed his pleasure at the achievements recorded by the Vietnamese people in their renovation process and said he believed that the close friendship, fraternal cooperation and traditional solidarity between Cuba and Vietnam would be constantly consolidated and effectively developed.

President Le Duc Anh conveyed an invitation for an official visit to Vietnam to President Fidel Castro who accepted it with pleasure.

Following the talks, Vietnamese Foreign Minister Nguyen Manh Cam and his Cuban counterpart Roberto Robaina Gonzalez signed an agreement on investment promotion and protection in the presence of the two presidents.

The same day, President Le Duc Anh, his wife and entourage laid a wreath at the Jose Marti monument in Havana.

Receives Honorary Distinction

BK1410092495 Hanoi VNA in English
0712 GMT 14 Oct 95

[FBIS Transcribed Text] Hanoi VNA October 14 — President of the Council of State and the Council of Ministers of Cuba Fidel Castro conferred the Jose Marti Order, the highest distinction of the Cuban State, on the Vietnamese State President Le Duc Anh at a solemn ceremony in Havana yesterday.

Addressing the presentation ceremony, Mr. Ricardo Alarcon, politburo member of the Cuban Communist Party and Chairman of the Cuban National Assembly, brought about the great contribution made by the Vietnamese leader to the Vietnamese People's Revolution as well as to building and developing the traditional friendship, solidarity and fraternal cooperation between the parties, states and people of Cuba and Vietnam.

He said that the Cuban people have always assisted the Vietnamese people as stated by Cuban President Fidel Castro that 'for Vietnam, we are ready to shed our blood.'

He affirmed Cuba's determination to firmly defend the fruits of the revolution and national sovereignty, not to return to slavery nor to be slaves, and its will to resist and to win. 'The flag of socialism and national independence shall never be lowered,' he confirmed.

President Le Duc Anh, for his part, expressed his sincere thanks to the Communist Party, state and people of Cuba, especially to President Fidel Castro, for the noble award, which he said belonged to the Vietnamese Communist Party and heroic people who have staunchly fought for national independence, freedom and socialism.

He also attributed the glory to President Ho Chi Minh who had fostered the fraternal friendship between Vietnam and Cuba and had shed a bright example on noble international spirit.

A banquet was granted by the Cuban President to Le Duc Anh, his wife and entourage.

Joint PRC Working Group Meets on Border Issues

BK1510085295 Hanoi VNA in English
1342 GMT 14 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct. 14 — The sixth session of the Vietnam-China joint working group for land border was held in Beijing from Oct. 9-14.

The session, which took place in an atmosphere of friendship and frankness, reached some positive moves.

Minutes of the session was signed on October 12. The same day, Deputy Foreign Minister Tang Jiaxuan received members of the two countries' joint working groups.

Vietnamese Ambassador to China Dang Nghiem Hoang was present at the signing ceremony and the reception.

Commentary on Do Muoi's Talks With U.S. Group

BK1310151695 Hanoi Voice of Vietnam in English
1000 GMT 13 Oct 95

[Station commentary]

[FBIS Transcribed Text] Party General Secretary Do Muoi on Thursday received the visiting United States business and media delegation. Voice of Vietnam comments:

Following the decision of the United States President, Bill Clinton, to normalize relations with Vietnam and establish official diplomatic relations, the two sides have exchanged a number of trade and economic delegations. Noteworthy is the conference for the normalization of economic ties between Vietnam and the United States held recently in Washington to discuss broadening economic ties, including the possibility that Vietnam could enjoy most favored nation status in the future.

The current visiting delegation of 60 businessmen and journalist is sponsored by the Newstour program. It includes chairmen or vice chairmen of some of the 500 largest companies in the United States.

At the reception in Hanoi, the Vietnamese party leader welcomed the American guests and considered their visit a positive contribution to the development of bilateral relationship, promoting economic ties. Party General Secretary Do Muoi reaffirmed Vietnam's unchanged stance: to continue the renovation process and follow the goal of national independence, building a powerful and prosperous Vietnam with a civilized and equitable society; Vietnam's wish to have durable peace to rebuild the country for people's happiness and to befriend all nations.

Regarding Vietnam-U.S. relations, the party general secretary said the Vietnamese party, state, and people hope that following the normalization of diplomatic relations, Vietnam and the United States will join efforts to work together for early economic and commercial cooperation and to broaden bilateral ties in other areas in the interest of each country.

Many American businessmen have been impressed by the vitality of the Vietnamese nation and their willingness to contribute to Vietnam's national construction to promote investment and economic and trade relations with Vietnam.

Two-way trade turnover between Vietnam and the United States reached only $280 million in 1995, but a promising future is lying ahead. The United States is headed the list out of 24 projects licensed last month. U.S. investors are carrying out five projects in coffee production, husbandry, software supply, and car manufacturing with an investment of over $311 million.

On 13 October, America's General Electric group also signed the contract to set up a joint venture with Vietnam's Medical Equipment Company No. 2 in Ho Chi Minh City. The joint venture is specialized in advanced medical equipment with a view to improve health care in Vietnam.

National Assembly 13 Oct Proceedings Reported

BK1410102795 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 13 Oct 95

[FBIS Translated Text] On the morning of the 10th working day of the Ninth National Assembly's eighth session, the deputies met at the conference hall to hear the vice chairman of the National Assembly's Judiciary Committee [NALC] present NALC's views on the report of the 1995 activities of the Supreme People's Court and the Supreme People's Organ of Control. They also heard NALC's views on the government report on the management of local courts and the organization and execution of court verdicts. The National Assembly Standing Committee also reported its plans for the legal building program, which will continue through the end of the Ninth National Assembly's official term.

Later in the morning, the deputies divided into groups and discussed issues relating to the administrative reform and organization and personnel adjustments of some state organs.

In the afternoon, the deputies remained in their groups and exchanged views on the government report of the socioeconomic development situation in 1995 and the main socioeconomic development tasks for 1996. Also in the afternoon, they debated the 1995 state budget, 1996 budget estimates, and other issues.

Tomorrow morning, the National Assembly will continue its group discussion on the government report on issues relating to socioeconomic issues, state budget, and national defense and security.

Deputy PM Speaks on Administrative Reform

BK1410084195 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 13 Oct 95

["Excerpt" of report by Deputy Prime Minister Nguyen Khanh at the Ninth National Assembly's eighth session on "the results of national administrative reform in the past and on the administrative reform policies and measures for the period ahead"; date not given]

[FBIS Translated Text] As for the results of administration reform in the past, the report of Deputy Prime Minister [PM] Nguyen Khanh points out: Administrative reform is a policy set forth in the documents of the Seventh Party Congress. During the years 1992-94, the government organized studies, mapped out programs, and provided guidance for a number of works regarding administrative reform such as stepping up the training and additional training for administrative management cadres, rectifying the management mechanism organizationally, establishing the civil servants' statute, and going ahead with revising some administrative procedures.

In 1995, the Seventh Party Central Committee's eighth plenum issued a resolution on the need to continue building and perfecting the SRV state with the emphasis placed on further carrying out national administrative reform. The government has mapped out a program to implement this resolution. This program is centered on the three major subjects, namely, renovating the administrative system, readjusting the organization and various relations in the administrative apparatus, and building the contingent of civil servants.

The renovation of the administrative system is aimed at achieving two fundamental requirements. The first requirement calls for building a democratic administrative system, exercising the people's powers, developing the people's intelligence, serving the interest, and meeting the aspirations of the people while establishing and ensuring public order and discipline in accordance with the law in the social life. The second requirement advocates perfecting the market economy system under state control, pressing for the uniform creation and effective use of market factors, and creating for our country a socioeconomic system in line with international law and practices.

In the past the government has provided guidance for the reforming of the administrative system with the emphasis placed on such matters as seeing the task of reforming administrative procedures as a present attacking spearhead for administrative reform, resolving the people's complaints, going ahead with the establishment of the administrative court, helping renovate the legislation program and undertaking the program to establish statutes, continuing to perfect the new economic system, improving the effect of law enforcement, and reestablishing order and discipline for the state.

With regard to the organizational adjustment of the working apparatus and relations in the administrative system, the report says: The rectification of the working apparatus in conjunction with efforts to renovate the working procedures of the administrative system is based on correct conceptions about the roles and functions of the state and administrative organs when shifting to the market economy system along the socialist path under state control and about the principles of democratic centralism in the organization and operation of the state administrative system.

1. The organizational structure for the government apparatus must be gradually readjusted along the direction of reducing the number of professional management organs in the advance toward eradicating the managing mechanism of administrative organs for business enterprises.

2. The relations between the central authorities and various localities in the state administrative system are a complex issue, in which difficulties still exist. The government is directing the continued study of those issues where differing views still remain.

Regarding the building of the contingent of administrative civil servants, the report points out: Facts obtained from the operating management of the activities of the government and of various state administrative organs show that we must promptly build a contingent of professional bureaucrats who will be recruited and trained in accordance with the standards for their positions. They must have good qualities and abilities to carry out their assigned duties.

Providing training and additional training for government cadres civil servants is a work of decisive significance for the success of administrative reform.

After pointing out the results of administrative reform in the past, the government report deals with policies and measures for administrative reform for the period ahead.

As for the government's administrative reform program for the final months of 1995 and for the year 1996, the report of Deputy Prime Minister Nguyen Khanh reveals the following:

1. The government will continue directing the conduct of studies to revise administrative procedures in areas having direct impact on the life of the people and their production and business. As an immediate task, the government will introduce a number of new procedures on exports and imports, on the establishment of business enterprises and the registration of businesses, on the public certification of household registration and civil registration, on the execution of court verdicts, on the registration of vehicles, and on cultural and service activities.

Flash Floods Submerge Mekong Delta Provinces

BK1410091295 Hanoi VNA in English
0702 GMT 14 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct. 14 — Eighty-five people, including 65 children have been killed and more than 164,000 houses, schools, offices and infirmaries submerged up to Oct. 5 by flash floods which swept all the seven provinces of the Mekong River Delta. [sentence as received]

As a result, 242 bridges were completely destroyed, 15,856 households had to move out, 260,632 school children have not been able to attend school. Furthermore, 27,900 households are coping with a shortage of food. The floods also made 2,094 km road sections linking districts or communes in these provinces flooded, 209 bridges badly damaged, and 9.2 hectares of riverside land slide. The total losses in property has amounted to VND [dong] 219 billion (roughly USD 20 million).

At present, the Mekong River is again rising threatening bigger floods downstream. The water level in the lower reaches of the Mekong River is rising four to six centimetres each day.

In the Cai Be District of Tien Giang Province, southern Mekong Delta, the water level reached 2.12 m in the last 48 hours. This is 0.12m above the 1994 flood peak.

However, Tien Giang farmers have avoided losses of rice crops, fish-breeding tanks and poultry breeding thanks to appropriate measures, especially the reinforcement of coastal dykes and field embankments. Tien Giang authorities have spent VND 500 million building solid embankments to protect crops. At Kien Giang, An Giang and Dong Thap the water was just 0.1m lower than the peak level (4.6m) of last year's floods. Hardest hit were Dong Thap and Kien Giang provinces with property losses estimated at USD 10 million.

The Ministry of Defence has decided to provide these provinces with VND 180 million (roughly USD 16,300) to assist them to overcome the consequences of the disaster.

Phan Van Khai Visits Flooded Provinces

BK1410151395 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 11 Oct 95

[FBIS Translated Text] On 9-10 October, on behalf of the prime minister, Deputy Prime Minister Phan Van Khai paid a working visit to the provinces of An Giang, Dong Thap, and Long An. These three provinces in the Mekong River Delta are the hardest hit by the current flash floods.

Accompanying the deputy prime minister were leaders of the Ministry of Water Conservancy, the Committee for Typhoon and Flood Control in Southern Provinces, Ministry of Public Health, Ministry of Education and Training, Ministry of Communications and Transportation, Ministry of Finance, and State Planning Committee. Sympathetic to the unfortunate situation encountered by the flood victims, the deputy prime minister encouraged them to overcome their difficulties, to unite and support one another, and to exert efforts along with the government to solve current and future consequences. Regarding the goal of developing the Mekong River Delta, the deputy prime minister instructed local authorities to pay special attention to education and to not allow floods continue to wreck havoc on the Mekong River Delta.

Committee To Oversee ASEAN Interests

BK1510141295 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 11 Oct 95

[FBIS Translated Text] On 10 October, Prime Minister Vo Van Kiet signed a decision to set up the National Committee to Coordinate Vietnam's Activities in ASEAN, or the National ASEAN Committee, to help the prime minister oversee Vietnam's relations with ASEAN in the fields of security, political, economic, cultural, social, and science and technology.

The National ASEAN Committee will be located at the Government Office and will carry out the duties and functions assigned by the minister and head of the Government Office. The committee will comprise of the Economic Cooperation Subcommittee and the (?Trade) Cooperation Subcommittee and consist of (?ministerial-level) cadres and specialists selected from the various ministries and sectors.

'Record' Number of Investment Licenses Granted

BK1310155895 Hanoi VNA in English 1455 GMT 13 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct.13 — The State Committee for Cooperation and Investment granted licences to 24 more foreign investment projects in September with a combined capital of over USD 622.98 million, which is a record for capital licences in a month.

Taking the lead for the new foreign investors is the United States with five projects worth over USD 311.5 million invested in automobile manufacturing, animal feed production, export coffee plantations and processing, and computer softwear development and supply. Japan has three joint venture projects and one fully-owned foreign investment project valued at over USD 203.84 million, in total involving automobile manufacture, fertilizer production, aquatic product processing and printed circuit board manufacturing.

Large scale and high technology projects in industry comprised 19 of the 24 newly-licenced projects. Three US and Japanese auto giants Ford, Chrysler and Toyota entered into joint ventures, which are capitalized at a total of USD 384 million with the Ministry of Heavy Industry to build three automobile assembly and manufacturing plants in the northern provinces of Hai Hung and Vinh Phu and in the southern province of Dong Nai.

To the end of September, 52 countries and territories had invested nearly USD 17.279 billion in 1,280 projects, of which, general industry and the oil industry accounted for 764 projects capitalized at USD 8.586 billion, while the hotel service industry accounted for 288 projects worth USD 5.49 billion.

Ho Chi Minh City currently leads the foreign investors's list with 485 projects that have a combined capital of nearly USD 5.630 billion, followed by Hanoi with 217 projects worth more than USD 3.404 billion.

Official on Investment for Infrastructure

BK1510093795 Hanoi VNA in English 0531 GMT 15 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct. 15 — The Deputy Minister of Transport and Communications Pham Quang Tuyen has released a list of six projects of high feasibility, calling for BOT (build-operate-transfer) investment.

The first in this list is the 93-km Ho Chi Minh City-Long Thanh-Vung Tau Expressway which links the two key economic zones in the south. The first portion that connects Ho Chi Minh City with Long Thanh is 28 km long. The total cost for the construction of this project is estimated to be USD 200 million.

Another project is the Binh Bridge which will cross the Am River and link the port city of Haiphong with the industrial zone of Quang Ninh. The bridge, which is planned to have four lanes for vehicles and two others for pedestrians, will be 1,000m long and will require an estimated investment capital of USD 100 million.

Four other projects, including the 1,000-metre-long Thu Thiem bridge crossing the Saigon River, the 1,800-metre-long Can Tho bridge crossing the Hau River (in Can Tho City), the 1,000-metre-long Bai Chay Bridge (Ha Long-Quang Ninh), and a 283-km-long portion of Highway 14 which runs from Chon Thanh district, Song Be province to Buon Ma Thuot (capital city of the central highlands).

Additionally, the Ministry of Transport and Communications is calling for investment in two projects to build the Hanoi Ring Road which runs from Thang Long Bridge, across Phap Van, Thanh Tri to Highway 5 and the Lao Cai-Cai Lan Railway.

At present, the State Committee for Cooperation and Investment is considering a project to build a deep seaport in Ba Ria-Vung Tau using BOT. The USD-637-million project will be carried out by Tredia Vung Tau Port Development Pte Ltd of Singapore.

Customs Service Seizes 'Reactionary' Magazines

BK1410140495 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 14 Oct 95

[FBIS Translated Text] Recently, the Hanoi Customs Service seized 235 reactionary magazines mailed from United States, France, and Canada through the postal service. Noi Bai International Airport Customs Service confiscated 700 documents with reactionary contents, three documents without exit permits, and four antique objects. The Hanoi Customs Service also referred the culture state organs to examine the contents of 171 video tapes and 50 compact discs. It also confiscated 16 reactionary printed products and other papers.

Smuggling Reaches 'Serious' Level Nationwide

BK1510152295 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 14 Oct 95

[FBIS Translated Text] According to sources from the State Planning Committee, nationwide smuggling continues to develop in a serious manner and involves more sophisticated methods than ever before. By late September, values of smuggled goods were estimated at 1,200 billion dong from the northern border areas, 450 billion dong from the western border areas, 13,000 billion dong from the southwestern border areas, and 600 billion dong from the sea areas. Sea smuggling in Nghe An has become more complicated than ever before.

Over the past nine months, market management units coordinated with the Nghe An province customs, police, and border defense force, and discovered 365 sea smuggling cases and confiscated goods worth 9.17 billion dong. The Ho Chi Minh City customs service discovered two smuggling cases involving goods valued at 1.5 billion dong. Particularly, cross-border rice export continues to be carried out on a frequent basis.